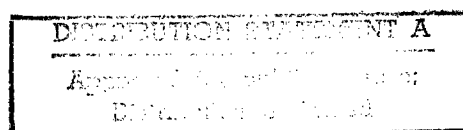


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West Europe Report



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15 MAY 1987

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SOCIAL DEMOCRATS CONTINUE DEBATE ON FORMING LEFTIST COALITION

Conservative Paper Views Duel

Copenhagen BERLINGSKE TIDENDE in Danish 25 Mar 87 p 16

[Editorial: "Difficult Cooperation"; words within slantlines published in italics]

[Text] At this time prominent Social Democrats, led by former Prime Minister Anker Jorgensen, are stressing the distance between themselves and the Socialist People's Party [SF] to such an extent that group chairman Ebba Strange is justified in saying that "if the Social Democrats intend to maintain this tone throughout the election campaign, it will be difficult to get together afterward."

One can hope that this does not also apply to the four government parties. When they emphasize special standpoints at this time we must hope that this is being done with an express desire to continue their cooperation--which we urge them to do. Both before and after the coming election. It is poor consolation for Danish nonsocialists that the parties to the left of center cannot agree. The fact that the alternative is no good is not the sole prerequisite for a nonsocialist regime. Another condition is that the two big nonsocialist parties forget past competition and unite /all/ their forces to keep the government in nonsocialist hands.

Now more than ever there is a need to recreate the energy that used to characterize the government. The determination and ability to clean up after the Social Democrats that bound Poul Schluter and Henning Christoffersen together in a productive cooperation in the first years of the government must be restored. And more than that. Nonsocialist cooperation encompasses more than a general clean-up. Until we have proof to the contrary the stressing of special standpoints must also be taken as a sign that the individual parties are formulating a contribution to future /joint/ policy. The Liberal effort to stimulate a debate on spending policy is not unimportant in this context. If the debate contributes to greater insight into the economic realities and--in particular--to a tightening up of economic policy, much will have been accomplished. With an action program from the four government parties for the period after the election, the

government will be taking an important positive step toward an election victory. But the basic prerequisite is and will continue to be keeping in step.

The four-party coalition government was given a vote of confidence in the election of January 1984 because the four parties /as a group/ convinced the voters of their ability to run the government, which at that time stood in glaring contrast to the defeatist attitude of the Social Democrats. At that time there was no doubt about the government's determination and ability to continue the economic recovery program. Now, partly as a result of contradictory statements from cabinet ministers, a doubt has arisen that will take firm leadership to eradicate. But it is still possible to accomplish this if the parties make election preparation /together/--and take the time that is needed.

At this time the government is reaping the results of a hard winter. Spring brings an opportunity to sow for a better harvest--in the fall.

SF Chairman Criticizes Jorgensen

Copenhagen BERLINGSKE TIDENDE in Danish 26 Mar 87 p 14

[Editorial: "The Butcher"]

[Text] The chairman of the Socialist People's Party, Gert Petersen, expressed his fear--or was it a hope?--in BERLINGSKE TIDENDE yesterday that the chairman of the Social Democratic Party, former Prime Minister Anker Jorgensen, is about to "slaughter" the so-called labor majority.

It should be noted here that the labor majority is a dream expressed by many SF people and somewhat fewer Social Democrats, but that it has not shown up in Danish politics very often. And when it does, the voters view it as a nightmare. Thus the two parties lost a combined total of 16 seats after the red cabinet of 1966-68 and 30 seats after the unofficial red cabinet of 1971-73.

All experience with so-called labor majorities has shown in other words that both the Social Democrats and the Socialist People's Party lose votes when they work together. That is why Anker Jorgensen is trying to "slaughter" the idea of another formalized SDP-SF cooperation until it becomes an imperative obsession that will cost his party even more votes.

Gert Petersen's complaints about Anker Jorgensen's effort to distance himself from the Socialist People's Party can only be due to the fact that SF has always been able to win votes from the Social Democratic left wing by accusing the leadership of the Social Democratic Party of trying to stand on its own feet.

Who is slaughtering whom?

SF Leader Rejects 'Shifting Majority'

Copenhagen BERLINGSKE TIDENDE in Danish 27 Mar 87 p 2

[Text] Gert Petersen has clearly rejected a policy based on the support of a shifting majority.

"SF will categorically oppose any return to the diluted nonsocialist policy that Anker Jorgensen's government pursued until 1982 with the help of a shifting majority," SF chairman Gert Petersen said at a meeting in Niva last night, adding:

"What is needed is a new nonsocialist majority and on the basis of that a new policy based on equal cooperation between the labor parties should be introduced."

Gert Petersen rejected Social Democrat Anker Jorgensen's ideas about opening the door to SDP cooperation with certain nonsocialist parties.

"When it comes to basic economic policy, an SDP-SF majority must have the courage to act alone--just as Schluter's nonsocialist majority has done," Gert Petersen said.

MP Backs Tie With SF

Copenhagen BERLINGSKE TIDENDE in Danish 30 Mar 87 p 4

[Article by Carl Otto Brix: "Social Democrats Uncertain"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Jytte Andersen thinks it is time to put an end to all the flickering on the screen. The Social Democrats should stick to the desire for a government cooperation with SF.

"I meet great uncertainty among our voters with respect to the Social Democratic line and that is why I warned against a shift to the right in the party," said Folketing member Jytte Andersen.

Her warning was made at a peace meeting in Glostrup on Saturday and the party's vice chairman, Svend Auken, expressed amazement in BERLINGSKE SONDAG over Jytte Andersen's attitude and the way she had expressed it--without having discussed things with the party's Folketing group first.

"When the party leadership talks about coddling industry (that was what Svend Auken said to BERLINGSKE TIDENDE the Sunday before) or seeking new contacts with the nonsocialist parties (that was what Anker Jorgensen said during a debate meeting with Liberal Uffe Ellemann-Jensen in Roskilde last Monday), then our people cannot understand what is going on," continued Jytte Andersen.

"We have decided that we will try to create a joint government with SF after the election and we should stick to that. The decision probably means that we have lost some voters on the right wing, but those who have remained have become used to the idea. Now we are also losing the voters on the left wing."

At the meeting in Glostrup Jytte Andersen referred in particular to the shift to the right she feels the party has undergone in the area of security policy.

"My fear is based first of all on the talk that the Social Democrats want to enter into a new defense compromise with the government. It is true that we are insisting on a zero solution, but no one believes that the non-socialist parties will go along with that. When the Social Democratic desire for a new compromise is so strong, it must also mean that we will go part of the way toward meeting the government's desire to expand the defense budget by 800 million kroner.

"In the second place I have a growing fear that the work on the Security Policy Committee (the Ostergaard committee) could result in an agreement between the government and the Social Democrats. That would also indicate a shift to the right."

In his commentary in yesterday's edition Svend Auken suggested that Jytte Andersen's remarks had gone outside the rules of the game.

"But we have not had any occasion to discuss these matters at the group meetings, so I couldn't have said anything to the group ahead of time," said Jytte Andersen. "We have not discussed whether a Social Democratic government should 'coddle' industry, we have not discussed taking part in a defense compromise and we have not discussed a possible agreement with the government in the work of the Security Policy Committee. When we set up a plan for the election I hope we will have an opportunity to review all these problems in an open debate."

Jytte Andersen feels that many of her group colleagues share the view that all this "flickering on the screen" should come to an end. The Social Democrats must send out clear signals.

SDP Also Split on Defense

Copenhagen BERLINGSKE TIDENDE in Danish 30 Mar 87 p 12

[Editorial: "Social Democrats Have Not Become More Conscientious"]

[Text] It is not easy for Svend Auken. After standing on his head in recent weeks to convince both his own people and the public that the Social Democratic Party is a party that can be trusted in all respects--on security policy, on economic policy, in its view of the need for broad cooperation--it turns out that he does not have the support of all his party colleagues.

His colleague, Jytte Andersen, put a spoke in his wheel on Saturday when she expressed her deep concern over what she calls the shift to the right in the party's security policy. And she is not just anybody--former group secretary and Anker Jorgensen's trusted attendant. It is reasonable to assume that she does not say this kind of thing without considering it carefully first and without having the backing of at least some of her group colleagues. And it must have been quite deliberate that she did not submit this statement to the group before it was delivered.

When such a sharp protest is made against the line Auken is trying to make the public believe in, it is not surprising that the voters have a hard time believing that the Social Democrats have become more conscientious. They certainly have not.

Jorgensen Wants Election Now

Copenhagen BERLINGSKE TIDENDE in Danish 1 Apr 87 p 2

[Article by Thorkild Dahl; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] Social Democratic chairman Anker Jorgensen does not want to cooperate with SF alone but with other parties across the middle of the political spectrum as well. The Conservatives are the main opponents in the approaching conflict and the Social Democrats are planning a government policy that includes a tight economic policy.

"We will not be able to afford expanded consumption under a government headed by the Social Democrats. On the contrary, there could be tax increases in certain areas."

Social Democratic chairman Anker Jorgensen set the stage for a tight economic policy and an opening up across the middle of the political spectrum when he called for a quick election yesterday at the International Press Center in Copenhagen.

"I am afraid that economic developments will get worse. Therefore I want an election as soon as possible. That will be important for the government in power after the Folketing election," said Anker Jorgensen.

The Social Democratic chairman coolly dissociated himself from the idea of a cooperation with SF after the election.

"An election can produce a different majority from the one we have now. Perhaps there can be an SDP-SF cooperation, but we must keep the door open to other sensible forces," said Anker Jorgensen who emphasized that after an election victory the Social Democrats "will also cooperate with others besides those who make up the majority."

The invitation is aimed at the Radical Liberals and the Christian People's Party, although Anker Jorgensen did not want to name the cooperating partners

outside an SDP-SF majority. Anker Jorgensen did say however that the invitation did not apply to the Progressive Party or to Foreign Minister Uffe Ellemann-Jensen's Liberal Party, "which is probably the most conservative party.

"Nor is there any question of a Social Democratic government cooperation with the Conservatives. We regard the Conservatives as our major political opponents because the party is the exponent of the government we oppose," said Anker Jorgensen who added that a series of political confrontations between the Social Democrats and the Conservatives in April and May should be seen as a conflict between major opponents.

Anker Jorgensen would not spell out the details of the Social Democrats' economic policy.

"We do not know precisely whether the election will come in May or November and therefore we do not know what the economic conditions will be. A great deal can happen before the election," said Anker Jorgensen, but the Social Democratic chairman set the stage for both savings and new taxes under a government headed by the Social Democrats.

"I will not reject the idea that there could be some tax increases. The Social Democrats are not that opposed to the tax burden, but we are opposed to the way the present government distributes the tax burden," said Anker Jorgensen, who hinted at "big savings."

"Savings now are catastrophic. There is a poor foundation," said Anker Jorgensen, who feels that a savings law after the Folketing election will lead to pension reform.

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GRO HARLEM BRUNDTLAND SEEN AT PEAK STRENGTH IN LABOR CONGRESS

Urges Arms Control

Oslo AFTENPOSTEN in Norwegian 27 Mar 87 p 3

[Article: "Gro Harlem Brundtland's Opening Speech To Labor Party National Congress: New Broadside Against Conservative Party"]

[Excerpts] "The optimism of the Conservative Party has been replaced by bitter experiences." So said Prime Minister Gro Harlem Brundtland Thursday evening in her hour-long speech to the Labor Party's national congress. She made the Conservative Party the scapegoat for most of what has gone wrong in society, and said that the Christian People's Party and the Center Party have policy aims which are different from those of the Conservative Party.

The head of the party stated that the Labor Party had taken on the responsibility to govern when our country was in a difficult situation. "It was not just a period of economic crisis. After the nonsocialist crisis and the paralysis in negotiations, Norway needed a new direction, goal-oriented efforts and protection of the most important values," the prime minister said, claiming that the optimism of the Conservative Party has been replaced by bitter experiences.

"Young aspiring professionals have problems. The economics of speculation are in disrepute. The competitive spirit is weak. Even the Ring Center [the first private hospital in Norway since the introduction of socialized medicine] has to consolidate. In 1981 the Conservative Party's electoral slogan was 'The Time Is Right.' In 1986 the party itself drew the conclusion that the time was wrong."

Center Party Discipleship

In her speech, the prime minister cited John Dale, the general secretary of the Center Party, in support of the government's district policy. In this connection she said, among other things, that Dale has given the government wholehearted support in its decision to use the law regulating the granting of municipal business licenses or planning permission to build up business and industry in Oslo and has also observed that his party ought to have reacted much earlier.

"The fact is that not only have imbalance, deficit and pressure in the economy, centralization and increased construction and housing costs developed. A consciousness has also developed in the center parties that their policies have values and goals which are different from those of the Conservative Party. That is also why the Willoch government fell apart."

Yesterday's main speaker also expressed the need for new thinking about agricultural policy. She stated that support of this industry, to a greater extent than it is today, has to be evaluated within the context of district policy. Harlem Brundtland said that there will still be a need for major transfers to agriculture but added that adjustments must be looked at in the industry as well as the relationship to revenues outside it. This is especially true for central areas.

Power Break

The head of government recommended a think break before our most expensive hydropower resources begin to be developed. She gave as the reason for this recommendation the facts that we have new alternatives to choose from and gas finds give us increased maneuvering room.

"As early as 1992, it appears it will be possible to produce a full 5 terawatt-hours per year from a gas works on Karsto, with an expansion to 7.5 terawatt-hours per year beginning in 1995. Furthermore, in the 1990's it is possible we shall be able to produce major amounts of power from gas from the Halten Bank."

Foreign Policy

Among other things, she said the following regarding foreign policy: "The Labor Party is remaking the center of gravity on foreign policy together with the center parties, as we have every year since the last world war."

"If we stick to those agreements we have already reached to prevent an arms race in space, then prospects for the future will promise new hope. The debate in the American Congress gives positive signs that the important ABM agreement will continue to be respected and interpreted narrowly. Norway stands with those who want to protect the agreement and who firmly support a strict interpretation of its obligations."

EC

Concerning the EC and West European cooperation, Gro Harlem Brundtland said, among other things, that the key to tomorrow's economic growth lies in cooperation on research and new technology. "The increase in political cooperation among the EC countries concerns central Norwegian interests, which will be discussed in a report to parliament on European policy."

'Gro Show' Exudes Confidence

Oslo AFTENPOSTEN in Norwegian 28 Mar 87 p 3

[Commentary by Morton Malmo: "After Ten Months As Prime Minister: Labor Party Leader Bursting With Self-Confidence"; first paragraph is introduction]

[Text] The Labor Party's national congress is the purest "Gro show." After ten months in power, Prime Minister Gro Harlem Brundtland and her party are bursting with self-confidence. She even loves the role of prime minister. Political opponents have to recognize that she is strong.

Ten months ago, at the end of April and the beginning of May 1986, it was a toss-up for the Labor Party: Should the Willoch government get to live longer or should Labor take over? Those who were hungry for power won. The new Labor government fumbled on the wage settlement, it fared badly in the opinion polls, and the government's proposed 1987 budget caused dissension. The nonsocialist parties tried to go chasing after the government together. It ended with the nonsocialist budget collapse.

Wind Shifts

Then the wind shifted in the Labor Party's favor. Agreements and compromises were made and few were sorry that the party had gained power.

The weakness of the nonsocialists is a major element of the Labor Party's strength. Nor is Gro Harlem Brundtland stronger than her opponents would allow. The minute the Center Party is ready to work out a common political platform with the Conservative and the Christian People's Parties, her days as prime minister are numbered.

In the meantime, self-confidence grows in the Labor Party. It feels good to have power, and this does not injure pride at contemplating nonsocialist fumbling. "The responsibility of governing gives us a greater opportunity to leave our stamp on Norwegian society. Work on improving people's everyday lives can happen based on our values and goals," Gro Harlem Brundtland herself said at the national congress. This is plain talk. No complaining about "devouring camels" or other animals in an everyday political routine which for a minority government is necessarily characterized by big and small compromises.

The Volcano

The prime minister herself is an on-with-it workaholic volcano. After having sat at the King's table for ten months, there are no signs of fatigue or symptoms of wear and tear. The only single event which has truly affected her was Knut Frydenlund's death. He was a good supporting player and a part of the glue that held the Labor Party together on foreign and security policy. He was the mediator. He was the one who poured oil on troubled waters when strong opinions crackled. As prime minister she behaves today in a way which is entirely different from when she was prime minister for a few months in 1981.

She has become more secure, acquired more self-confidence and she quite simply loves being prime minister. She smiles more often. She profits from this. To see her "light up the television," such as in her duels with Kare Willoch, you really have to go to a video archive to get the real experience.

No One Beside Her

In the government she is the sovereign leader. This she is in the Labor Party as well. No one has managed to create political disagreement inside the Labor Party over a discussion of Gro Harlem Brundtland's leadership. If this is not happening, it is because this is like milk chocolate for Freya. There is no one above her, no one beside her. Tomorrow she is reelected party leader. If one goes through the rows of delegates to the national congress and asks in corridors about who will contest this position, the answer is the following: No one. This gives her undoubted strength when she meets other party leaders. When Rolf Presthus talks to her, he knows he is talking to the Labor Party.

Part of her leadership is making major demands of herself. She makes these demands of others. This has produced a certain burnout of secretaries over the years. But consider this: since Einar Gerhardsen, no Labor Party leader has been more powerful among his own colleagues than the present prime minister.

Norway's Public Relations

Gro Harlem Brundtland has not only done well "at home." Her work as the head of the UN's environmental commission brought her international publicity. Furthermore the major role of women in the government has attracted international attention. Extensive newspaper coverage and strong interest by foreign television companies have been the result. At the Foreign Ministry they are certainly pleased with this good Norwegian public relations. Early this evening the prime minister will deliver her second major address of the national congress and it will be about international issues. The title of the address is "Social Democracy's International Challenges." There are few Norwegian party leaders who deliver two major addresses at a national congress. This says a great deal, not the least about commitment.

The New Labor Party

During her time as prime minister, a careful modernization of the Labor Party has taken place. "I think pragmatism is a mark of honor," Environment Minister Sissel Ronbeck said on Thursday at the national congress. That says a lot about what has happened. To some extent, dogmatism is in the process of being shelved. The Labor Party is talking about freedom, better public service, private solutions for state agencies. All of this nailed together with the old words about securing the welfare society and the message that there is still time for reforms.

There is also a message which the prime minister never forgets to emphasize, namely, that the Labor Party takes responsibility. At the national congress she said the following about the nonsocialists: "They wanted to stay clear because they had no answers to the country's problems!"

Might Turn Bad

If the nonsocialists are to manage to unite to take over government, then they really have to have decided firmly on doing so. So long as one or more non-socialist parties begin to negotiate with the Labor Party over an issue, the prime minister will have an easy time. Even she herself gives a definition of how far the Labor Party's limits on the will to compromise will go.

If she has to move back from the government building's 15th floor to parliament, she will scarcely do it with a light heart. She has enjoyed herself more as prime minister than as opposition leader in parliament. Despite nonsocialist dialogue on running taxes and the tax form, there are few who would bet on a change of government before the summer recess.

If that does not happen, Gro Harlem Brundtland can stay in office for a long time. Perhaps up through the 1989 election. Regardless of what happens, for that election the Labor Party will mobilize so that it hums. Gro Harlem Brundtland herself is eager for a four-year term as prime minister preceded by an electoral victory and without any bothersome nonsocialist majority in parliament.

Leadership In 'Full Control'

Oslo AFTENPOSTEN in Norwegian 30 Mar 87 p 3

[Article: "United, Certain Of Victory Labor Party To 'Renew Itself'"; first paragraph is introduction]

[Text] With a united national congress behind it, the leadership of the Labor Party is throwing itself into this year's electoral fight certain of victory. "The national congress has confirmed that the Norwegian labor movement has the will and the ability for renewal," the party's leader, Prime Minister Gro Harlem Brundtland stated yesterday at a press conference. She pointed to an electoral manifesto which in point after point stresses the need to leave old socialist dogmas behind and seek new solutions.

Emphasizing that users' interests will be decisive when it comes to a choice between public or private solutions to specific problems such as the shortage of day care centers for children confirms the fact that the Labor Party is now readying itself to take an active part in the freedom debate which has been dominated thus far by the Conservative Party.

Crisis Time

"History will decide," the party chairman said yesterday when asked whether the electoral manifesto marks an historic turning point for the Labor Party. "The labor movement's job is to throw a critical light on existing conditions. Crisis time often becomes reform time through new thinking and proposals for new solutions," the prime minister said. At this crossroads, the party leadership does not want to commit itself to specific solutions to the many problems which will now be examined afresh. As far as health and social

policy are concerned, however, the party's vice chairman, Einar Forde, speaks of "good, old-fashioned dogmatism."

The stated willingness to look for new solutions does not carry with it any adherence to what Forde terms the Conservative Party's push for systematic privatization. At the press conference, absent counterproposals worthy of the name, no one would predict the extent of the policy clean-up the national congress supported in principle.

Full Control

From beginning to end, the party leadership had full control over the national congress. In her concluding address, the party leader had no objection to AFTENPOSTEN's headline of a party which was "bursting with self-confidence."

"Yes, we have self-confidence--because we believe in what we stand for. We believe in our values. We believe in our ability to gain support for forward-looking policy. We appear self-confident but we are not satisfied. Because we see we have a job to do, a job that requires something from us. We are proud of what we have created, but we are not satisfied with the way things are today," she said, among other things.

"It is also true that this national congress has shown a party characterized by consensus. But not by patience. What feeds impatience are impressions from people's everyday lives. People's current experiences of what stands in the way of greater freedom," the prime minister stated to a national congress which rewarded her with standing applause. She was just as secure afterwards in her meeting with the press as she had been in front of the national congress.

"Everything is going right for this party." With this paraphrase of Trygve Lie's exclamation that everything is working for this government when Prince Harald was born, Prime Minister Gro Harlem Brundtland concluded the Labor Party's 51st regular national congress. The reaction came in a response to an improvised thank-you from journalists for press facilities at the national congress. But the observation linked up naturally with the party leader's summation of a national congress marked by a certainty of victory going into the fall municipal and county council elections.

Thorbjorn Jagland Elected Secretary

Oslo AFTENPOSTEN in Norwegian 30 Mar 87 p 3

[Article: "Nilsson Attacked, Labor Party Heads Reelected"]

[Excerpt] Prime Minister Gro Harlem Brundtland and parliamentary leader Einar Forde were unanimously reelected yesterday as chairman and vice chairman respectively of the Labor Party. Also unanimous was the national congress choice of Thorbjorn Jagland as new party secretary. He has been acting in the post since Ivar Leveraas became the new head of the National Housing Bank.

There was opposition, however, over the reelection of Liv Nilsson, the head of the Municipal Association, as executive board member.

Svein Larsen, the party's Oslo secretary, attacked the Municipal Association's controversial head. He pointed to press coverage of Nilsson's criticism of the party leadership and asked that in the future the party be spared exhibitions of the sort he said were attempts at self-advancement.

Larsen was refuted by Else Mo, also of Oslo, who found criticism of an association head misplaced. No other opposing candidates were found, however, and Liv Nilsson was reelected, also unanimously.

Also reelected to the executive board were Tor Halvorsen, Reiulf Steen, Lars M. Skytoen, Gunnar Berge, Liv Andersen, Ingeborg Botnen, Bjorn Tore Godal and Anne Lise Haugen. Nils Totland was elected as a new member.

Conservative Paper Assesses Congress

Oslo AFTENPOSTEN in Norwegian 1 Apr 87 p 2

[Editorial: "A New Labor Party?"]

[Text] Each party is to be judged by its actions, not by fine promises or by grand oratory about all sorts of noble intentions. In the last analysis, everyone knows that it is the results--and nothing but--that count. The parties should take note of this as well.

People are of course not any more stupid than when they discover that politicians can be believed or when they say something which in practice they never expected to live up to. Political humbug shows through all too easily. This is the case regardless of who it might come from.

Since the Labor Party's national congress, we have noted with growing wonderment how some commentators have let themselves be persuaded that Harlem Brundtland and Einar Forde's party has suddenly altered its political character and content. In the course of just a few national congress days, the Labor Party has presumably shed its skin and gone from being a dogmatic social democratic party to one which--in the words of NATIONEN--"now indisputably is no longer socialist, either formally or in actual terms."

Elsewhere we read that the Labor Party has acquired a softer--read: more human--profile. By means of a modernization which must have occurred with lightning speed, the Labor Party at its recently concluded national congress managed to reshape itself, from being "a party for the organized trades and bureaucrats to being a party for all the people." Once again the impression is created of a party without any clear-cut character, soft and distinctively humane. Everyone should feel at home here.

The specific positions supporting this astonishing transformation are said to have been found in the Labor Party's electoral manifesto and in the well prepared and tactically motivated speeches by Gro Harlem Brundtland, Einar

Forde and Thorbjorn Jagland. Dogmatism as a working assumption has been replaced by modern pragmatism with the remarkable "result" that the fight against bureaucracy and managing the minutiae of public work are now turned into Labor Party trademarks (!). "The public sector is there for users and not for employees," we now hear. And the virtue of free competition, variety and decentralization is praised to the skies.

We now must note that this is by no means the first time the Labor Party has felt compelled to modernize itself. Neither is it any novelty for the Labor Party to declare war on the bureaucracy and--presumably--to want to lighten the tax burden, though after various leading figures themselves crashed through the tax roof.

But what has this led to? As each and every person has been able to observe, changing Labor Party governments have resulted in more bureaucracy, ever higher taxes and even more regulations and orders. And inflation and prices have risen to record highs, injuring not the least those who are in the weakest positions, families with children and the elderly.

We have a great sense of the self-searching series of problems raised initially by party secretary Thorbjorn Jagland at the national congress. But it remains to be seen what effect they will have on practical policy.

12789

CSO: 3039/32

IMPACT OF IRANIAN REFUGEES ASSESSED

Istanbul MILLIYET in Turkish 5 Jan 87 p 13

[Semih Gunver article: "Uninvited Guests"]

[Text] Our government, in its efforts to maintain good neighborly relations and friendship--to the extent possible--with our neighbor Iran, accepted the Khomeyni regime without reservation though with some unacknowledged but justified concern and, without the slightest thought of intervention in Iran's internal affairs, embarked upon efforts to raise our commercial and economic relations with that country to the highest possible level.

The Turkish Government has remained neutral in the Iran-Iraq war, which constitutes a serious danger to Turkey's security and interests, and has tried to help end this senseless and bloody conflict while acting with great care to avoid losing the trust of either of the warring sides.

Despite numerous agreements negotiated and signed with Reza Shah Pahlavi, our ally in the Baghdad Pact and--after 1958--in CENTO, we did not manage to achieve a flow of exchanges between the two sides in the trade, transit, and cultural fields. The Shah's government did not sell us even a single gallon of oil and, in the field of cultural cooperation, did not allow even a Turkish pigeon to penetrate the regions where the Azeris live.

Despite this, Iran's conservative and fundamentalist regime was compelled by years of the increasingly bitter war with Iraq to establish close relations with Turkey, Iran's republican, democratic, and secular neighbor and only outlet to the outside world.

The Ozal government, in turn, embarked upon close cooperation with Iran, believing that increased trade and common interests would lead to the settlement of political problems and to the emergence of true friendship; and, despite certain technical difficulties, this policy has so far proven reasonably successful in the economic field.

It cannot be said, however, that everything is going well in our cooperation with Iran. Along with our normal exchanges, two separate and unexpected movements have begun flowing our way from Iran.

[It has become evident that] the Khomeyni regime wanted to pass on its religious and political concepts to its neighbour Turkey. The contacts at official level have been going on without a hitch but what has been going on below the surface is another thing again. The Turkish Republic--democratic, secular, and tied to the Western world with ties of friendship and alliance--was seen as a serious stumbling block in the way of Tehran's scheme for a "Great Islamic State."

The allegedly independent Iranian press, radio and television criticized Turkey, with no holds barred. Ataturk, in particular, became the object of a destructive propaganda campaign. Religious propaganda material was clandestinely brought into Turkey on a large scale.

There came, parallel with the efforts to destroy our country from within, a large influx of people from Iran to Turkey.

The initial arrivals were people who had been supporters of the shah and members of SAVAK, fugitives from the Khomeyni regime. These were followed by refugees who had found life in Iran difficult for economic reasons. Western papers claim that 97.5 percent of the Iranian people are now opposed to the present regime. There is a great difference between life in public and what goes on in homes. The contrast between life in the privacy of the home and what goes on in the street is total. There are quite a few people who leave Iran to taste freedom in Turkey for a few days or months, to shop, to eat and drink, and to do a bit of sightseeing and take in some entertainment. These people bring foreign exchange into Turkey and thus contribute to its economy.

Recently, there have also been instances of deserting members of the Iranian Armed Forces crossing the border into Turkey.

Some of the arrivals had valid passports; others had traveled on travel documents. Some came by air, others overland, and still others crossed--or paid others to help them cross--into Turkey clandestinely over mountains some 2,000 meters high. This mountainous region with rocky cliffs lied under a cover of snow in the winter, making the border impossible to control adequately. The identity of the arrivals was often hard to determine. Adventurers, tourists, black marketeers, smugglers, and secret agents mingled with former politicians, high-ranking officers, university teachers, businessmen, and students. Iranians of Armenian and Kurdish extraction were also able to infiltrate into Turkey on normal passports.

From a legal viewpoint, Turkey was under no obligation to admit these Iranian refugees; it was a signatory to the convention on the status of refugees that came into effect in 1954 and the protocol dated 1967 but had entered a reservation to the effect that it would not be bound by the provisions of the convention in the case of refugees from outside of Europe.

Irrespective of this, Turkey has in fact admitted Iranian refugees to its territory on humanitarian grounds on a temporary basis. These refugees, who congregate in the larger towns, such as Istanbul and Ankara, generally wish to go to the United States or some European country. When these Iranians, who form long lines in front of the U.S. Embassy in the main, fail to obtain

visas, they try to leave Turkey anyway by whatever route--air, sea, or overland--but are turned back on arrival at their destination in Europe by the security authorities there. The officials of these countries provide a police officer to escort each such refugee on the return journey and try to make Turkey pay all the expenses thus incurred. The same kind of traffic goes on across our land boundaries with Greece, sometimes causing border incidents in the process. There have also been cases of Iranians who attempted to land on Greek islands clandestinely but were turned back.

The Europeans, despite professing their support for the sanctity of human rights and of the right to asylum, slam the door shut on the Iranian refugees and see nothing wrong in transforming Turkey--which has no legal obligations in the matter--into a kind of occupation zone for Iranian refugees. Turkish military and civilian authorities have no common political position over this issue. The military and civilian security authorities want to impose a tighter control on the border with Iran but are inhibited in taking the control measures they regard as necessary by the Turkish Government's policy to avoid creating new problems with Iran. Currently, 20,000 of the Iranians in Turkey enjoy normal refugee status. There is no certain knowledge of how many Iranians are in the clandestine refugee category. Turkish authorities think that anywhere between 100,000 and 1.5 million Iranians may have come to Turkey. One is taken aback by this disparity in the official figures. There is the possibility that, unless this flow is stemmed, Turkey will be subjected to a kind of Iranian occupation and it may be beset by the additional problem of an Iranian minority in the future.

It defies the norms of logic that while our kinsmen suffering repression in Bulgaria and the estimated 800,000 Turkmens of Mosul and Kirkuk in Iraq are unable to come to motherland Turkey, Iranian refugees should come to Turkey in droves free of any kind of serious control.

13184/12913

CSO: 3554/174

COMMENTARY URGES CAUTION TOWARD USSR NATIONALIST RESURGENCE

Istanbul CUMHURIYET in Turkish 5 Jan 87 p 3

[Ergun Balci article: "The Soviet Union and the Nationalism Problem..."]

[Excerpts] The events of some 3 weeks ago in Kazakhstan have focused attention on the question of nationalism in the Soviet Union. According to an ANATOLIA Agency report on 3 January, an article in PRAVDA has admitted that there are problems among nationalities constituting the USSR and has said: "The strengthened ties among nationalities should not suggest that there are no problems."

PRAVDA has also criticized nationalistic manifestations in the country. The admission by PRAVDA that there are problems among nationalities in the Soviet Union is an interesting development. It is also a well-known fact that General Secretary Mikhail Gorbachev is uneasy over increasing religious manifestations in certain republics and that he has asked for atheistic propaganda to be intensified.

Nevertheless, the incidents in Kazakhstan, which refocused attention on this debate, need to be put into proper perspective. To describe the demonstrations in Kazakhstan solely as a "national and Islamic awakening" or "a national and Islamic upsurge"--as was done by the editor and publisher of the largest-circulation rightwing paper in Turkey--may not only be an exaggeration but also lead to a biased assessment of the events in question.

After the Baku Congress in 1920, the Bolsheviks began to liquidate the nationalist movements which showed separatist tendencies and to strengthen the central authority.

However, it would be useful at this point to clarify one particular issue: it would be unfair to claim that religion and the national cultures of various nationalities are repressed in the Soviet Union, as they are--say in Bulgaria. Article 52 of the Soviet constitution grants citizens the freedom of religion or atheism and the right to perform religious rites or conduct atheistic propaganda.

In view of this, it may be misleading to generalize on the basis of the events in Kazakhstan that there is a religious and nationalist awakening or upsurge in the Soviet Union.

What is more, if such somewhat hasty generalizations were to show a disposition to provide support for separatist tendencies or constitute a wish for separatist tendencies to appear, they could also become dangerous.

One should not forget that there are separatist movements in many countries, including Turkey.

An emotional approach to issues, one that is based on ideological obsessions, can lead one to display an inconsistent stand and double standards.

13184/12913

CSO: 3554/174

NORDIC COUNTRIES EXPECTED TO SEE RISE IN UNEMPLOYMENT RATE

Oslo AFTENPOSTEN in Norwegian 6 Apr 87 p 35

[Text] Bergen. Unemployment in the Nordic countries will not decline, but will rather rise up to 1990. Stronger growth in demand than in production threatens the balance in the foreign economy and will manifest itself in higher price rises than in other industrial countries. This is the conclusion of an analysis that the Industrial Economic Institute has carried out in cooperation with research institutes in Sweden, Finland, and Denmark. The general challenge for all the Nordic countries, and particularly for Norway, is to strengthen quality in new industrial projects. The tax system must be examined to channel capital to new real investments in the economy prior to finance investments or consumption. Norwegian industry has in spite of a high investment level had weaker production development than industry elsewhere in the North. Market shares have been lost, home market orientation has increased, and the character of investments indicates less productive renewal than what is found in other Nordic countries. If the outlook is to improve, attention must be paid to companies, organizations, and managements, the researchers say. Norway will definitely face the greatest balance problems among the Nordic countries in the years to come. Inflation will be higher, and unemployment will increase more than in our neighboring countries.

9124

CSO: 3639/38

MACHINE TOOL MARKET FACES PROBLEMATIC FUTURE

Frankfurt/Main FRANKFURTER ZEITUNG/BLICK DURCH DIE WIRTSCHAFT in German
25 Mar 87 p 2

[Article by Zg datelined Athens: "Stagnation on the Machine Tool Market in Greece; Italy by far the Most Important Supplier; Domestic Production Limited to Simple Products"]

[Text] Importers of machine tools, when questioned about the situation on this market, first break out into lamentations about the bad and uncertain economic situation caused by the socialist government. They refer especially to the fluctuating economic policy (e.g., in the price field), the disparagement of the entrepreneurs, the coddling of the workers and thus the destruction of the work atmosphere in the enterprises, inadequate labor productivity and, as a consequence of all these circumstances, the waste of investments. The import of machine tools--if the 1985 upswing is disregarded--stagnates along the entire line. The increased imports, the importers say, can be attributed merely to the replacement of obsolete machines or, to a lesser extent, to a degree of modernization of the machinery, least of all to new projects. One exception, the importers say, are purchases for investments in the military field (aircraft, weapons, ammunition), in which there have been some new projects in recent years.

Recently, the importers assert, there have been efforts on the part of industrial associations--presumably at the request of the government--to stimulate industry to implement investments; the result, they say, has been completely negative. In the field of metalworking machines--the most important of the three branches of the machine tool industry--the Greek market has been virtually completely dependent on imports. The same applies to machines for working stones, marble, concrete, glass, and similar products. In the field of woodworking machines, the Greek industry has a limited production; but experts estimate the market share at hardly more than 10 percent, i.e. here, too, most of the demand is met by foreign machines.

In assessing this development of imports, experts say, one should start from the fact that 1984 was a year of stagnating imports (compared with

1983) and that the--overwhelming--increases in subsequent years do not really signify increases in imports if the devaluation of the drachma is taken into consideration, which compared to the DM had been roughly 20 percent in 1985 and 30 percent in 1986 (the figures had been somewhat lower in relation to other EC countries). As can be seen, in 1986 a reduction, in terms of drachme, for metal and woodworking machines is to be noted; the picture of stagnation is maintained even taking into account that for that year only the first 11 months are included.

In the field of metalworking machine tools, the machines for noncutting shaping have always been prominent among imports; in 1986, 700 million drachme worth of these machines were imported, i.e.--converted--for over DM 9 million. The other machines of the metalworking field, which play a part on account of their magnitude, further include sawmills and cutting-off machines, lathes, grinding machines and turning machines (vertical boring mills, centerless lathes, slab milling machines). EC countries have always played a decisive role in the supply of the Greek market. Disregarding the turning machines the share of EC deliveries in the total Greek import of these machines amounted to roughly 80 percent. Except for lathes, in 1986 Italy was always an important factor, namely with a

Greek Imports of Machine Tools

(in Billion Drachme)

<u>Year</u>	<u>Metal</u>	<u>Stones</u>	<u>Wood</u>
1984	1.87	0.41	0.80
1985	2.80	0.63	1.08
1986	2.75	0.75	0.91

share in the EC export which as a rule exceeded 50 percent. Favorable prices and the granting of easy terms have secured this position for the Italians, the importers say, and add they would prefer the German machines if they were not too expensive; apart from that, the Italian quality is also satisfactory to them. The Italians have played the leading role for many years; the market is simply attuned to these machines. As a rule the FRG share in the imports of these machine tools for metalworking is no more than 20 percent; only in the case of lathes the share is a little over 30 percent.

Among the woodworking machines, the most important ones are machines for barrel production, for pencil and match production, and bark peeling machines. Thus in this field predominantly machines for barrel production were imported in 1986. EC countries are clearly most prominent with regard to these machines, too. Thus 90 percent of the

imported barrel production machines valued at about 800 million drachme, were delivered by the EC; in 1986 the Italians were again far ahead of the others with a share of about 90 percent of the EC deliveries. The German delivery share remained limited to 10 percent in the EC deliveries.

With regard to machines for working of stones the Italians dominated with 90 percent; the German deliveries were insignificant; in the case of machines for cold bath of glass the Italian machines had the lead with a share of barely 70 percent of deliveries in 1986, the German machines with a share of about 15 percent. Furthermore this field is a 100-percent EC preserve.

Greek production generally involves handicraft businesses that produce moderate quality products--without automatic systems. In the metal field that involves stamping presses, milling machines, and cutting machines of insignificant magnitude; as initially stated, for practical purposes they are not counted by the importers of modern foreign machine tools. The machines for working of stones involve almost exclusively those related to production in the field of marble working. Here the small businesses involved in the marble field in part are satisfied with the simple crushing and sifting machines of Greek origin. The most important field of production is the production of woodworking machines; about 15 firms are involved in this field. Emphasis is placed on the production of band saws, planing machines, and machines for making wooden crates and for forestry (such as bark peeling machines).

Experts are pessimistic about the future development of the machine tool market. Private investments with domestic or foreign capital cannot be expected; the optimistic hopes of the government in this respect are not shared by the experts. In the state investment field there are indeed many big projects but the money for them is not available, so that no great leaps forward can be expected here either. This means that the machine tool market will continue to stagnate and can only count essentially on replacement purchases for discarded machines. According to the experts, this is true at least for the short term; it is not possible to look beyond that at this time.

12356

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INCREASED FOREIGN DEBT, REDUCTION IN REAL INCOME FORECAST

Oil Exports Alleviate Pressures

Oslo AFTENPOSTEN in Norwegian 26 Mar 87 p 28

[Article by Cecilie Norland: "Increased Debt Means Large Deficit for Norway"]

[Text] Increasing debt burdens will give Norway a very large deficit in its foreign operational balance in the years to come. Our foreign debt can increase from about 75 billion kroner this year to as much as 260 billion kroner in 1991, and then the interest alone will cost us 20.5 billion kroner a year. The interest burden with increasing debt will give us a foreign deficit of about 40 billion a year, in spite of a significant improvement in the balance of trade.

This is the conclusion of an analysis of Norway's foreign trade and foreign debt. The analysis was done in cooperation by the brokerage firm Fondsfinans and ECON -- Center for Economic Analysis. The evaluation is based on the assumptions of a real oil price of 17.5 dollars per barrel up to 1991, a fall in the dollar exchange from 7.40 to 6.30 kroner in 1991, an international economic growth of 2.5 percent, a stable krone exchange, no worsening of our competitive ability from 1989, and a strong restriction of domestic demand.

Real Wages Down by 11 Percent

"The analysis is built upon hard, but not particularly pessimistic assumptions. We have among other things counted on a decline in people's disposable real income of as much as 11 percent in the period from 1988 up to 1991, and a real fall in private consumption of as much as 12 percent. If these assumptions are not correct, the foreign trade picture will look even worse," Social Economist Erik Bjorland of Fondsfinans said.

ECON and Fondsfinans do not believe that the wage growth will be reduced this year, and they therefore predict a price increase of as much as nine percent. Next year they estimate an increase in unemployment of up to three percent at the end of the year, and this will contribute to more moderate wage increases, which in turn will give a price increase of 5.5 percent in 1988.

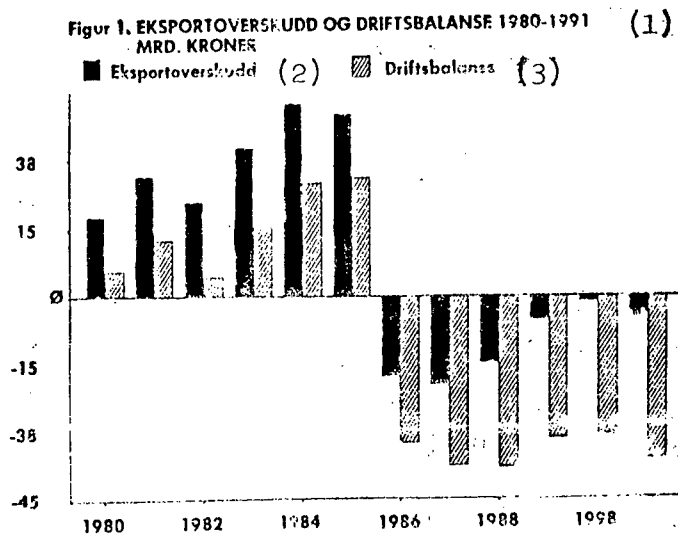
The calculation of a real fall in private consumption of 12 percent up to 1991 is based on the assumption of tax increases, increased saving, and increasing

debt burdens for most people. The decline in private consumption will contribute to a fall in imports -- but this is not large enough to make any essential difference.

Improved Balance of Trade

Increasing oil production and a decline in domestic demand will contribute to the improvement of our balance of trade. The value of our oil exports is estimated to increase from 28.6 billion this year to 56.3 billion in 1991, and the export value of our traditional goods will increase from 71.6 billion kroner this year to an estimated 97 billion kroner on the average for the years 1989-1991. The value of imports will increase from 149.2 billion kroner this year to 169.8 billion on the average for the period 1989-1991, but the growth in volume will fall to zero.

All in all, Norway's deficit in the goods and services balance will sink from minus 18.1 billion this year to minus 3.6 billion in the period 1989-1991. The increased value of oil-exports and a strong fall in the export deficit are not enough to save us, however.



Key:

1. Figure 1. Export Surplus and Operational Balance 1980-1991 in Billions of kroner
2. Export Surplus
3. Operational Balance

Rapidly Increasing Debt

The problem is Norway's foreign debt, which, according to ECON/Fondsfinans' calculations, will increase from about 75 billion kroner this year to 260 billion kroner in 1991. In the period 1989-1991 the interest on this debt will on the average amount to 17.8 billion kroner, and the real interest level internationally is high. In the national budget it is anticipated that private companies together with the oil companies will cover Norway's need for foreign loans -- and in the analysis it is questioned whether the private companies want to and can borrow the large amounts predicted.

Because of the rapidly rising debt with the accompanying interest payments, Norway's deficit in the foreign operational balance will remain at today's high level -- between 30 and 40 billion kroner in the years 1987-1991, in spite of a clear improvement in the trade balance.

In answer to the question of what advice they would give the politicians, social economists Knut Kjaer in ECON and Bjorland said that private consumption must be reduced, and the same is true for the finance policy. "But we cannot get out of the crisis by tightening our belts. We must also increase our production and the yield on our investments in order to increase exports and market shares at home," Kjaer said.

Trade Deficit Raising Interest

Oslo AFTENPOSTEN in Norwegian 26 Mar 87 p 28

[Excerpt] Norway's weak foreign operating balance means that we must live with high interest rates in any case up to 1991. It is the foreign side that determines our domestic interest rates, and unless the government changes its policy so that the state borrows outside rather than private companies, we will have to hold the interest level very high.

If private companies are to borrow money abroad rather than here at home, the difference in the interest rate at home and abroad must be large enough to outweigh the currency risk the private companies must take in borrowing abroad, and this will produce a high interest rate. If private companies cannot or do not want to borrow extensive amounts abroad, the pressure on the Krone exchange rate downward...

Warning From Central Bank Chief

Oslo AFTENPOSTEN in Norwegian 27 Mar 87 p 33

[Article by Ulf Peter Hellstrom: "Large Debt, Saving Necessary"]

[Text] Norwegians have now gotten a powerful personal debt that makes it necessary to produce a new will to save. This was the message from Norway's Bank, when the latest quarterly economic survey was presented yesterday. The average household debt has increased by 80,000 kroner to almost 200,000 kroner

in three years. The outlook for the country's economy is still bleak, but the deficit in the foreign operating balance can be a little lower than was previously assumed, according to the bank.

A new analysis undertaken by Norway's Bank indicates that currency speculation and exchange protection purchases of foreign currency during the time before the devaluation last spring amounted to as much as 20 billion kroner.

Central Bank Director Hermod Skanland now asks for increased saving as an important measure in correcting the imbalance in the economy. As late as 1984 household saving made up 4.75 percent of the disposable real income, but it fell to almost minus three percent last year. In other words, in 1986 consumption exceeded income. Norwegians generally made extensive replacements of durable consumer goods, or capital goods, particularly automobiles. Expectations of future income growth were high. At the same time the credit market was deregulated without the interest rate rising or tax regulations for interest payments being raised.

"Saving has great significance for further developments here in this country," Skanland said at the press conference yesterday.

AFTENPOSTEN: "Popular savings regulations such as savings with a tax deduction are being reduced?"

Divided Opinions

"There are divided opinions -- in Norway's Bank as well -- about what savings stimulating effects such measures actually have. Personally I think that reasons for saving -- even the necessity of saving -- are the most important in the long run. Savings with tax deductions have the most effect on where the funds are placed. But I do not deny that the binding of liquidity such as is found in savings with tax deductions can have significance for the level of saving. Economists actually do not know so much about what determines the level of savings. Therefore we express ourselves with a great deal more care than do many politicians," Skanland said.

The central bank director was also asked on the outlook for a moderate income settlement in line with the government's assumptions in the light of the sometimes significant wage demands and offers made in some local settlements.

"Some of these demands and offers are not in agreement with the government's moderate line, and this may be the understatement of the day," Skanland said. He also added that one has also seen zero settlements during the spring negotiations.

Dangerous Differences

"It is dangerous to have such great differences in this settlement, because one will then get a settlement in 1988 in which one will try to correct the great differences that arose this year. Strong local settlements will also

weaken the price development, something that will also make next year's settlement more difficult," Skanland said.

Norway's Bank has lowered its estimates for the deficit in the foreign operating balance somewhat. Even if the outlook for the foreign economy is somewhat better than a few months ago, the central bank still draws a gloomy picture of the situation.

Key Figures

1. Optimistic estimate for the deficit in the foreign operating balance: 26-27 billion.
2. Decline in sale of new automobiles this year: +25-30 percent.
3. Growth in interest payments from 1985 to 1986: 34 percent.
4. Households average debt: 200,000 kroner.
5. Average loan interest in bank at the beginning of the year: 16 percent.
6. Expected decline in private consumption this year: one percent.

9124

CS0: 3639/38

USSR REPORTEDLY SEEKING EXPANDED TRADE

Istanbul MILLIYET in Turkish 30 Dec 86 p 9

[Mehmet Ali Birand report from Moscow]

[Text] Yevgeni Osadchuk, deputy chairman of the USSR State Committee for Foreign Trade Relations, has stated that "Moscow is prepared for a much broader economic cooperation with Turkey" and called for the exchanges initiated between the two countries on this subject should be speeded up as soon as possible.

Osadchuk recalled that the trade protocol signed following the meetings of the Turkish-USSR Joint Economic Commission necessitates extensive negotiations, and dwelt in particular on the subject of joint investments referred to in the protocol. Under the protocol in question, Turkish and Soviet firms will engage in joint projects, particularly in Third World countries. The protocol envisages Turkish and Soviet firms to form groupings and consortiums to submit tenders for very large-scale installations and complexes.

Osadchuk said that the Soviet side were planning to send a delegation to Ankara on 7 January in connection with the installations they were considering to have built by Turkish contractors, saying "But, for some inexplicable reason, the Turkish side is dragging its feet a bit."

As is known, it is envisaged under the Turkish-Soviet trade protocol to have Turkish contractors build social and cultural complexes of 500-bed capacity each in Yalta and Crimea, a 500-bed hotel by the Caspian Sea in Baku, another 500-bed hotel at Sochi on the Black Sea coast, and a 340-bed hotel and mountaineering complex in Georgia.

According to Soviet officials, the Soviet delegation that will come to Ankara on 7 January in connection with this construction work worth roughly \$100 million will make a selection among the contracting firms. Turkish labor and Turkish engineering talent and hardware will be used for such work which will be on a turnkey basis.

Soviet officials point out that a final decision will be made in Moscow once the proposals from the Turkish side have been received, and that technical topics will be taken up right after this stage. It is understood that Moscow

is contemplating payment to Turkey to be made partly in natural gas and the remainder in Soviet products chosen by Ankara.

Osadchuk said that the Soviet side had made other proposals to Turkey besides hotel and sports installations. He stated: "Thus, for instance, once your purchases of gas from us increase with time, we can make joint investments in Turkey to enable you to pay for it. We shall also strive to buy [some of] the products produced by these investments. We also have in mind similar joint investments in the Soviet Union."

Osadchuk pointed out that extremely important decisions were taken at the meeting he had had with Finance and Customs Minister Ahmet Kurtcebe Alptemocin last November and said that Turkish-Soviet economic and trade relations should not be tied down to natural gas alone and that it would be beneficial to increase the range of goods involved.

Osadchuk said: "The sale of gas will act as a spur in the trade and economic relations between our two countries. But one should not think of everything within the context of the buying and selling of gas. Long-term programs have also been drawn up between the two countries. What is needed now is to get things moving as soon as possible.

The Soviet official also stated that his side "attached special importance to textile manufacturing and soya oil processing units" among the schemes they had in mind as catering either to domestic consumption in Turkey or to the Soviet market.

While the Turkish officials whose views we have sought on this subject warmly welcome this wish by the Soviet side to get things moving, they regard it only as a remote possibility that the issue of contracts may be implemented in 1 year. They say: "We have only just begun. There are still many technical details."

13184/12913
CSO: 3554/174

MERSIN ECONOMIC FREE ZONE INAUGURATED

Istanbul CUMHURİYET in Turkish 4 Jan 87 pp 1, 12

[Excerpts] Mersin/Adana--On the second day of his tour, Prime Minister Turgut Ozal commissioned the economic free zone in Mersin and participated in the liberation anniversary ceremonies. In speeches he made in Erdemli and Tarsus, he spoke of the administration's achievements. He said: "Yours is the most important region for early fruit and vegetables as well of citrus fruit. And now we are inaugurating the economic free zone. God has given you everything; what more do you want?"

Prime Minister Ozal then attended the ceremonies marking the liberation anniversary of Mersin. The ceremonies, held at 10 am every year, began at 11 am this time due to Ozal's delayed arrival. Addressing the students and the public who had been waiting in the rain for 2 hours, said: "Our administration, 3 years in power, has implemented the free zone in Mersin--the dream of the past 60 years. There are marvelous days ahead of us. Let the young people make good use of the opportunities provided to them." The free zone was inaugurated by Ozal after the liberation anniversary ceremonies. According to Cakmakoglu, the provincial governor, 283 firms have so far lodged applications, 124 of these have been granted operational licenses and rent agreements have been signed with 100. In his speech at the inauguration, Ozal noted that the free zones, which had been something people had wanted since 1927, had been implemented only during his administration. He said:

"Some 15 percent of world trade--amounting to 500 billion dollars--is transacted through free zones. Permits have been issued to 238 firms, including some foreign firms, in Mersin. This zone will make a net contribution of \$400 million a year. An investment of 79 billion is due to be made here in 1.5-2 years. There will be jobs for an additional 9,500 people. This zone satisfies every requirement for a free zone. This is why countries that have free zones of their own do not want us to create free zones of our own. But we have overcome this problem. There will be others, God willing, in Adana, Izmir, and Antalya. Thus, we shall both increase our exports and speed up our imports and reduce their cost." Prime Minister Ozal also laid the foundation stone of the service building for the free zone. Sabahattin Cakmakoglu, the governor of Icel, presented Ozal--whom he described as "architect of free zones"--with a plaque. Ozal and Mrs Ozal then took a little walk, hand in hand, along the newly completed road of the zone where there are no buildings yet.

Boxed Material:

The importance of the free zone in Mersin, the first in Turkey and inaugurated by Prime Minister Turgut Ozal yesterday, is better understood if one considers that 10 percent of total world trade is conducted through free zones.

[figures as published] Experts of the State Planning Organization point out that the zone will contribute \$1.5 billion to Turkish exports and stress that imports through the zone are also expected to cost less. The Mersin Free Zone covers an area of 764 donums and 115 plots of land. There will be seven kinds of activity there: production and assembly, packing, renting, maintenance and repairs, buying and selling, services, and warehousing.

Social Security practices of the Turkish Republic will be applicable in the zone which will provide employment for 8,210 people. However, there will be no recourse to strikes or lockouts for a period of 10 years. All disputes will be settled by the Higher Arbitration Council.

In addition, there will be a levy "in aid of the free zone development and support fund," at the rate of 1 percent, consisting of (5 parts per thousand) on incoming and outgoing goods respectively. Business circles see this as "a wrong practice." It is claimed that it will have the effect of "making imports more expensive and exporting more difficult."

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ALIAGA-IZMIR VETOED FOR ECONOMIC FREE ZONE

Istanbul CUMHURIYET in Turkish 6 Jan 87 p 9

[Hikmet Cetinkaya report: "The Economic Free Zone Puzzle"]

[Text] Izmir--Prime Minister Turgut Ozal has inaugurated the Mersin Free Zone covering an area of 764 donums. Some 208 firms will operate in the economic free zone. It will create a potential for \$1.5 billion in exports. There will be a ban on strikes and lockouts in the Mersin economic free zone for a period of 10 years.

The position of the Izmir Free Zone, which was to have been established at Aliaga but has been deferred "to some other bright day" due to a "pollution veto," has yet to be clarified. Industrialists in the Aegean region are impatiently waiting for a government statement on where the Izmir Free Zone will be located.

In his address at the inauguration of the Mersin Free Zone, Prime Minister Turgut Ozal did provide a "ray of hope" but he did not go far in casting much light on the subject. Ozal said:

"Countries that have economic free zones are opposed to our decision to create economic free zones of our own. But we have overcome this problem. There will be others, God willing, in Adana, Izmir, and Antalya. Thus we shall both increase our exports and lower the cost of our imports. Industrialists and businessmen are a bit apprehensive about this." All sorts of question marks have been raised in the minds of people. Attention is focusing on the possibility that its defeat at the byelections at Izmir and Manisa has led to the Motherland Party [MP] administration to use the "pollution veto" to rule out Aliaga as the site of the free zone. The industrialists and businessmen in question do not want their names disclosed; but they are seriously dwelling on the byelection defeat theory when discussing the matter among themselves. Rumors doing the rounds in the lobbies are also quite interesting.

Never mind...

Ersin Faralyali, President of EBSO, stressing that this is a matter of importance for his organization, has said:

"If economic free zones are to be established in Turkey, one of them has to be in Izmir without fail. It is therefore necessary for the government to disclose the location selected for this purpose as soon as possible."

When reports that Aliaga would be left out of the free zone gained increased currency in November 1986, panic set in. By that time speculators and holdings had begun a race to "gain a presence" in the region encompassing the Nemrut Gulf.

When Yalcin Atabeyoglu, the State Planning Organization Chief for Economic Free Zones, disclosed that a decision would be taken on the basis of the "Aliaga feasibility report" prepared by an Irish firm, panic deepened further. MP stalwarts, who had been exploiting the free economic zone as an issue in the run up to the byelections, let the matter drop once they lost the elections in Constituency No 2, as the Aliaga site was in Constituency No 2 and the MP received many fewer votes here than was expected.

One can now contrast this with the run on the Nemrut Gulf in the wake of the publication of the boundaries of the free zone to be established at Aliaga in the OFFICIAL GAZETTE dated 15 March 1985...

Land prices had jumped by 190-200 times, and there was a rush to the site. The Aegean Fertilizer Plant of Yasar Holding, the IDC installations of Atilla Yurtcu, Habas, Foca Iron and Steel installations which were located within the boundaries of the free zone and many private enterprises had speeded up their land purchases.

The price of building land soared from 200 to 300 to 50,000 lira per square meter. Quite an impossible situation.

For some unknown reason, however, no "official action" whatever followed the publication of the boundaries of the free zone in the OFFICIAL GAZETTE. In contrast, Yalcin Atabeyoglu went ahead to announce the timetables for the establishment of the free zones in Antalya and Mersin.

The business center built by Atilla Yurtcu's Santes A.S. at Aliaga kept waiting for a buyer. While timetables were being announced for Antalya and Mersin, Aliaga was somehow forgotten. Quite an impossible thing to happen, one may think, but that is what actually happened. The feasibility report of the Irish firm had introduced a "pollution veto" on Aliaga. There was also the question of the ancient city of Kyme located on Nemrut Gulf. In other words, this region was included in the historic SIT zone.

What did Ali Yasemin, the village headman of Cakmakli, population 500, a village which had experienced large-scale compulsory purchase of land, have to say? "The Machine and Chemistry Institute made compulsory purchases of our land in the past. In 1973, land was sold at 70 to 250 lira. They bought at rock bottom prices. When talk began circulating about an economic free zone, more buyers materialized for building land. The prices offered were good. We have since found out that the decision to establish a free zone here has been rescinded."

What locality will replace Aliaga as the site of the free zone? There is talk of Cigli, Cumaovasi, and Guzelbahce. Prime Minister Ozal's statement in Izmir provided no clear answer.

There is now a growing question that goes beyond that of "defeat at the byelection...."

Could it be that countries that have economic free zones are exerting economic pressure, saying "limit yourselves to the one in Mersin"? I really do not know the answer.... So thick and fast do the rumors keep coming....

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'ISLAMIC BANKING' PROCEDURES EXPLAINED

Istanbul HORRIYET in Turkish 4 Jan 87 p 4

[Ege Cansen Article: "Islamic Banking"]

[Text] Banking activities, claimed to be confirming to Sharia principles, have been in operation in our country under the name of Special Finance Establishments for some time now.

Studying the methods of operation of these establishments, we have determined the following as their salient points.

1. Each of these is a bank in the fullest sense of the word. They have been named "Special Finance Establishment" probably because calling them "Islamic Bank" would have had drawbacks from a constitutional viewpoint.
2. These are, furthermore, privileged banks. Compared to other non-Muslim banks, such as the Is Bank, Akbank, and Ziraat Bankasi, they are able to lend a larger proportion of the deposits they take.
3. They have the advantage of attracting savers who, due to religious reasons, may shy away from the word interest.
4. It had been assumed that the establishment of these banks, that is to say of the special finance establishments, would bring Arab capital into Turkey. In fact, there has been no serious inflow of capital. But, because of the high profitability of these establishments, there will be a serious outflow of profits soon.
5. Islamic banking is a well-thought-out "stratagem" to establish the banking developed by the Western world in certain Arab countries where sharia law is in force. Those who developed this concept deserve to be congratulated.

Once one begins studying Islamic banking, the subject automatically moves to the Islamic economy, because banking is an inseparable part of the economic system it is associated with.

Is there such a thing as an Islamic economy that one can discuss? So far as we are aware, the principles set out by Islam in an economic sense are as follows:

1. It is lawful for people to set up and own the means of production, that is, trading and industrial establishments, either as individuals or acting collectively.
2. It is lawful for inheritances to be passed on to one's surviving relations.
3. Trading is regarded as a good and beneficial activity and Muslims are advised to engage in trade.
4. Receiving interest is unlawful. Sharing commercial profit is lawful.
5. Honesty and good morality is the basic rule of behavior merchants (businessmen) must comply with.
6. It is a basic principle that taxes are paid not out of one's wealth but from the increase in wealth, that is from income.
7. No provision has been made for the place of the state in the economy. It may be said that an Islamic economy, in this sense, is a "free economy system."

This, nevertheless, is not how Ba'athist philosophy, formulated by a Christian Arab, Michel Aflaq, sees it. In fact, countries such as Syria, Iraq, Egypt, Libya, and Algeria subscribe to the principle that socialism is closest to Islam. South Yemen is Marxist and, in contrast, Saudi Arabia is capitalist. The Islamic Republic of Iran, on the other hand, has opted for an extreme form of statism.

In view of these facts, one may well conclude that there is no such thing as an Islamic economy. If this is so, then there cannot be such a thing as Islamic banking either.

FINAL WORD: Banking is banking.

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ASSOCIATION ACCUSES SOIL PRODUCTS OFFICE OF BAD WHEAT PURCHASES

Istanbul HURRIYET in Turkish 4 Jan 87 p 4

[Text] Izmir, HURRIYET News Agency--It has been claimed that 280,000 tons of wheat for breadmaking, imported by the Soil Products Office [SPO] from the United States and Argentina last year, contained 14,000 tons of stone chips and rubbish, resulting in a loss of 1 million lira.

Nuri Dedeoglu, member of the administrative council of the Flour Millers' Association in Izmir, pointed out that his association had the imported wheat analyzed at the Food Engineering Department of the Engineering Faculty of the Aegean University. He said: "While an SPO report put the figure for foreign substances in the imported wheat at 1 percent, the analysis made at the university found this figure to be 5.6 percent in Argentinian wheat and 6.8 in U.S. wheat. This importation has caused our country a loss of 1 billion lira. The SPO is the responsible party for this affair. We are curious to know their response." It has also been reported that plans to import a second shipment have been dropped as a result of this affair.

SPO officials have reported that last year 109,000 tons of wheat were imported from the United States and 171,000 tons from Argentina at 70 lira per kg. It was determined that the amount of foreign substances in the separate shipments of the wheat were in excess of 17,360 tons and while 2,800 tons of this amount could be regarded as normal the remaining 14,560 tons were excessive. While officials pointed out that following the discovery of foreign materials much in excess of that anticipated in the Argentinian wheat a second shipment had been cancelled, Nuri Dedeoglu said: "We ended up by buying 1 billion lira's worth of rubbish instead of wheat from Argentina and the United States."

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EAST BLOC ROLE IN GETTING DEFENSE SECRETS, TECHNOLOGY FOR USSR

Paris DEFENSE NATIONALE in French Apr 87 pp 21-31

[Article by Henri Regnard; first paragraph is DEFENSE NATIONALE introduction]

[Text] It is patently obvious that technological gaps between the USSR and the West are very sizable in many areas and that that situation, which is unfavorable to the former, is likely to grow worse in the future. That is why the Soviet Union has painstakingly organized the gathering of Western technical information through its friends, the satellite countries (1). In this article, Henri Regnard provides us with a very instructive picture of how the tasks are divided up among those countries.

The Soviet system for gathering scientific, technical, and technological information in the Western world is now familiar at least to specialists, if not to the general public. That system is cumbersome and complicated--a splendid example of bureaucratic centralization. It is geared completely to the acquisition, basically through espionage, of Western knowledge. The "Committee of the Presidium of the USSR Council of Ministers for Matters of Military Industry" (VPK) is the keystone of the overall system. Consisting of the 12 ministers heading ministries concerned with military industry, that committee has been headed since the end of 1985 by Yuriy Dmitriyevich Maslyukov, deputy chairman of the Council of Ministers and successor to Leonid Vasil'yevich Smirnov, who had held the post since 1963. The Committee for Military Industry is both a political and a technical management body. In that latter capacity, it defines and establishes research objectives for the five intelligence agencies that are responsible, chiefly through espionage, for collecting in the field (that is, in the West) information and documents relative to advanced technology and vanguard processes which will eventually strengthen the Soviet Union's military-industrial complex.

Those agencies have been numbered by the Soviets themselves, probably in the order of their importance, from I through V. Being intelligence services par excellence, the KGB (I) and the GRU (II) are the two most active and best-known agencies. But on the same level, and also devoting themselves to espionage, are the State Committee for Science and Technology (GKNT) (III), Agency IV, whose job it is to circumvent embargoes, and the Ministry of Foreign Trade (V) (2).

Section D of the KGB

The KGB differs from its fellow organizations and plays a distinctive role in the overall VPK system. It stands out in particular through its very specific activity as the coordinator of and prime mover behind the intelligence services of the Warsaw Pact countries, all of which participate to one degree or another in gathering Western scientific, technical, and technological information for the benefit of the Soviet Union.

In that activity, the KGB operates through "Section D," which gets its name from the Russian word "druzia," meaning "friends," and which for that reason is also called the "Friends Section." It is responsible to "Directorate T," which is in charge of science and technology within the first chief directorate of the KGB. Section D manages the contribution made by the USSR's satellite countries within the overall system, in which the VPK is the central driving force.

During the early 1980's, various intelligence services of the Warsaw Pact countries alone have supplied over half of the classified technology with military applications that has been accumulated by the KGB. Much of that information has had to do with data of maximum value in the hands of design offices in the military industry that are working on the latest and future defense systems. That ability to provide such effective support for the Soviet intelligence service is the result of growing development over the years--largely under Soviet orders--of the scientific and technical intelligence gathering organizations of the various East European services.

Dominant Role of East German Services

In the field of scientific and technical intelligence gathering, perhaps the subcontractor to the Soviet intelligence service which has yielded the most results in recent years is the HVA (3) (Main Intelligence Administration) in the MFS (4) (Ministry for State Security) of the GDR. That small agency is very efficient and has achieved many successes on behalf of the USSR, basically by gathering information in the FRG and countries belonging to the Atlantic Alliance. In fact, the Soviets have long regarded the HVA as their most effective intelligence instrument, in both human and technical terms, against scientific and technical targets within NATO.

There are many indications that the Soviets have assigned certain scientific and technical targets in the FRG and certain NATO countries to the MFS, those being highly specialized zones.

Although the day-to-day mechanisms of that close collaboration are not known to Western governments, several factors have recently been brought to light. The leaders of the HVA's organizations for gathering scientific and technical intelligence meet annually with the officers of the KGB's Directorate T, which is responsible in particular, as was noted above, for gathering and processing that kind of intelligence. At those meetings, the participants take stock of how the MFS has performed over the preceding year and establish objectives for the following year. In addition, the HVA's specialized sections receive

requests for information and orders from the KGB throughout the year. Those requests and orders are routed through the KGB's Berlin office.

Those efforts by the KGB have paid off. The Soviets have admitted in recent years that the GDR's intelligence service has gathered valuable NATO documents concerning NATO member countries. Some of those documents were stamped secret or even top secret. Some were concerned with politico-military subjects, but a high percentage of the classified documents dealt with nuclear matters. The HVA has also gathered classified NATO documents concerned with the planning of defense measures in connection with chemical and biological warfare through the year 2000. It has also obtained samples of protective equipment (masks, for example), identification technology, detection equipment, and protective clothing for study by the KGB and the Soviet Ministry of Defense. The success achieved in gathering information on chemical and biological warfare has not been limited to that taken from NATO. The HVA has gathered sizable quantities of documents on research relative to NBC defense and long-term research in the field of military medicine that was being conducted in West German institutes under contract to the West German Army's medical service.

The HVA has supplied the KGB abundantly in a certain number of other areas as well. In the case of energy engineering and science of materials technology, the intelligence services of the satellite countries provide nearly 20 percent of all the KGB's acquisitions. This is due in great part to the HVA, especially in the field of nuclear intelligence. Moreover, almost all information on tactical military detection systems has been received through the services of the satellite countries in recent years. The HVA has provided certain information regarded as being of very great value on the subject of technologies for position-finding detection in antitank combat.

But the East German service's greatest contribution to the KGB has been in the field of intelligence gathering through interception. This is true above all as regards the FRG and the efforts made by the HVA to pick up technical information on NATO.

In recent years, only a few of the KGB's residencies have collected significant information on those countries or on other intelligence services. But the HVA has supplied very elaborate syntheses and analyses and research notes based on hundreds of classified documents. In fact, that type of report from the GDR has been regarded as very valuable because it accounted for about 20 percent of all the production received at the KGB and addressed first to the CPSU Central Committee and then directly to the minister of defense of the time, Marshal Ustinov Dmitri Fedorovich, in the early 1980's.

Those reports dealt almost exclusively with the FRG's intelligence activities against the USSR. They contained information on methods of identifying Soviet military aircraft by technical means, an evaluation of the Soviet system of SA-8 anti-aircraft missiles, a West German study of radio intelligence activities by the Group of Soviet Forces, Germany, information on West German plans for developing the airborne Vebal antitank weapon system, and the details of a NATO program for setting up an integrated anti-aircraft defense system for West Europe within NATO.

Other reports and documents regarded as being of great value and obtained by the East German service for the KGB dealt with the most varied scientific and technical subjects, including: the 155mm guided antitank shell with a copper warhead; information on a new Chinese missile carrier; a U.S. analysis of Soviet experimental design work on laser technology; documents on the FRG's nuclear industry; and an evaluation by the West German Ministry of Defense of Soviet medium-range mobile ballistic missiles.

The distinguished services rendered to the KGB by the Ministry for State Security's HVA are not entirely due to the feelings of solidarity among socialist countries that are so often extolled. For years, and especially during the Brezhnev period, ties ascribing a particular level of cooperation to top-level political agreements were established. In fact, those agreements were largely concerned with Soviet concessions regarding the cost of energy and raw materials in exchange for the scientific and technical information gathered so successfully and easily by the East German intelligence service.

Intelligence Services in Other Satellite Countries

Although comparatively small in terms of what is supplied by the GDR, the contribution by other Eastern bloc countries to the Soviet system is not insignificant. In fact, it constitutes a valuable supplementary contribution. Its distinguishing feature is that it is provided basically by the military intelligence services. Generally speaking, we are seeing a probably temporary decline of the civilian intelligence services in the satellite countries.

The special Bulgarian services (the DS and RUMNO (5)) specialize primarily in looking for information in the areas of data processing and electronics. Noted in particular is the regular use of data processing trainees. Recent incidents have proven their participation in circumventing COCOM regulations to obtain embargoed U.S. computer equipment through French companies.

Moreover, Bulgarian transportation enterprises (SOMAT)--which were recently the subject of a French TV program that underscored their availability for transporting the most varied merchandise, weapons included, to the East--have been assigned a mission involving direct observation and spotting, as is shown by their propensity to park or "get lost" in the vicinity of sensitive areas.

Because of the ties they are developing with West Europe, the Hungarians rely on trade to increase their penetration of high-performance Western firms and acquire advanced technology in the area of data processing, which is one of their strong points.

In that respect, Hungarian commercial aggressiveness serves above all as a base for officers of the VKF-2 (6) (the Hungarian military intelligence service). Officers of the Hungarian special services are present at the political level, where they cultivate many human contacts. That very incisive activity in the European framework of the Strasbourg Assembly is in fact controlled by the Soviets, who try to benefit from it politically and, over the longer term, economically and technologically.

The objective is to open up European institutions (the EEC, the European Parliament, and the Council of Europe) to more active bilateral contacts with the Eastern bloc countries on the one hand and with CEMA (7) on the other.

It is interesting to note that in September 1986, the Romanians also proposed to the General Secretariat of the Council of Europe that talks be started with a view to their country's participation in certain of the council's deliberations. They based their argument on the precedent that had been set when Yugoslavia was admitted as an observer.

Very close to their Soviet counterparts---who appointed them to take over when 47 Soviets were expelled in 1983---the Czechoslovak services are showing great diligence and aggressiveness in pursuing objectives that include the scientific and military sectors. In that respect, recent incidents underscore the growing interest in NATO, new military technologies in aviation (the Mirage-2000, the Jaguar weapon system, technical data on the Magic-550 and Super-530 missiles, and the Alpha Jet) and the Eureka Project (French firms participating in the project, structures that have been set up, and so on), and the French attitude toward SDI.

We note that over the past few months, the Czechoslovaks have been paying particular attention to the---illegal---acquisition of as much information as possible concerning civilian security in France (organization, planning, material resources, technologies, dosimeters, gas detector capsules, devices for the detection of chemical weapons, NBC suits, and the toxic substance spectral analyzer) and the deployment of French troops in Chad (technical data on the Bap-100 antirunway bomb). Those two focuses of intelligence interest can naturally be tied directly to the Soviet Union's concerns following the nuclear incident in Chernobyl and Libya's position in Chad.

Contrary to a widely held opinion, the Poles (the SB and Z-II (8)) are also present in the Western theater of operations. But for reasons of domestic policy, their activity is more discreet than it was in the past.

This pattern of exchanges with the USSR applies even more to Vietnam, which is hoping to "rebuild" rapidly and which, acting through trainees stationed in France, engages in genuine all-out pillaging of anything (electronics, energy resources, telecommunications, and data processing) it might be able to offer the Soviets in exchange for the very sizable aid which it is currently receiving and which is guaranteeing the country's survival.

And Now Europe!

The USSR's bilateral relations with each of its European or non-European satellite countries are paralleled and, in practice, rounded out in the economic area by CEMA, a structure almost symmetrical to the Warsaw Pact.

Besides the adoption by that organization in December 1985 of its own program for the "scientific and technical progress of member countries through the year 2000" in five areas of development (electronization of the economy; automated mass production; the use of nuclear energy; new materials and new

technology; production and manufacturing; and biotechnology), we should draw attention to the way in which ambitions in connection with the desired scientific and technological cooperation with the EEC--ambitions stated by the organization's leaders on several occasions--have developed.

For the past several years, dialogue between the EEC and CEMA has been initiated through the secretary general, Vyacheslav Vladimirovich Sychev of the Soviet Union, who in 1985 expressed the desire to negotiate the establishment between those organizations of official relations aimed at starting them out "on the road that must lead to a determination of the areas in which cooperation could be contemplated."

The attempts by the Romanians and Hungarians to establish themselves in Brussels, Luxembourg, and Strasbourg are not isolated efforts. The Soviets themselves are exerting the necessary direct political pressure on European institutions. They have made it clear that they want East-West cooperation in "science, technology, transportation, energy policy, and agriculture." They have also let it be known that they hope to join in the Eureka program!

To further their plan, they are making skillful use of the current of opinion which already exists in the European Parliament and which was initiated a few years ago by several West German Social Democratic representatives. Those European deputies, along with others, are now hoping for a degree of East-West integration in Europe and bringing up the idea of economic complementarity to suggest, in the final analysis, that--as is true--East Europe constitutes a vast market for the EEC's investors.

According to the promoters of that thesis, the interpenetration of economies in Europe, particularly through an increase in the number of mixed-economy companies in the liberal democracies and in East Europe and through licensing agreements, ease of mutual investments, and above all a narrowing of technological gaps, is likely to contribute to detente in Europe. The outlook for such a development deserves the most careful study, and any decision made to move in that direction should be seriously weighed.

For the moment, we are faced with a situation of change that needs to be examined in the context of the reform taking effect on 1 January 1987 and aimed at easing the restrictions on Soviet trade with the West. That reform was recently given concrete expression in the establishment of the GKVT (State Committee for Foreign Trade), which has been headed since 10 November 1986 by Vladimir Mikhaylovich Kamentsev, who now occupies that post concurrently with his post as deputy chairman of the Council of Ministers.

Quite obviously, the opening-up decided on last summer by Mikhail Gorbachev and ratified by the Politburo is not free from strategic considerations. And we can be sure that the establishment in the USSR of enterprises involving Western capital and operating with convertible rubles will in every case be aimed mainly at increasing imports of Western technology.

The debates at the CEMA summit meeting held in Moscow on 10 and 11 November 1986 were centered on the economic integration of the Eastern countries, with

the USSR trying to promote technological improvement to meet its own needs. In exchange for finished products of better quality, it will allow its satellites to buy energy without paying for it in strong currencies.

The situation in the USSR with respect to the technological gaps separating it from the West is not likely to change much in coming years, and we must expect strong pressure in Europe aimed at overcoming those gaps by acquiring by every possible means, including espionage, the new technologies which the USSR lacks.

In fact, considering the relatively sizable number of Soviet intelligence officers expelled over the past few years and the strengthening of Western controls with respect to sensitive technologies, it is probable that the USSR will become even more dependent on its "friends"--that is, the intelligence services of its satellite countries which are responsible, as we have shown, for gathering scientific and technical information in the West: "That situation, inherited from the Brezhnev and Andropov era, has a very strong chance of being perpetuated." That is probably what will happen in the case of France, the FRG, and a few other NATO countries, because the USSR realized long ago that it was falling behind in the area of fast-developing military technologies, especially those being developed by the largest European arms firms in connection with the Strategic Defense Initiative.

FOOTNOTES

1. See DEFENSE NATIONALE, March 1987: "Microelectronics in the GDR" [article will appear in ELS/East Europe].

2. I: KGB (Committee for State Security), headed by Viktor Mikhaylovich Chebrikov.

II: GRU (Main Intelligence Directorate, responsible to the General Staff), commanded since March 1963 by General Major Pyotr Ivanovich Ivashutin.

III: GKNT (State Committee for Science and Technology), headed by Yuriy Ivanovich Marchuk. Alexey Mitrofanovich Kutepov may replace Jerman Mikhaylovich Gvishiani as deputy chairman.

IV: Agency for circumventing embargoes (acronym and name uncertain).

V: Ministry of Foreign Trade, headed by Boris Ivanovich Aristov.

3. HVA: Main Intelligence Administration, headed by Markus Wolf until January 1987.

4. MFS: Ministry for State Security.

5. DS: Drzaven Sigurnost or Dargjavna Sigurnost (Security Service).

RUMNO: Rasusnavanetelno Upravlenie Kam Ministervoto Na Nadodnata Ohrana (Intelligence Directorate of the Ministry of National Defense).

6. VKF-2: Vezerkari Fonokseg-II (Second Directorate of the General Staff of the Ministry of Defense).
7. CEMA: Council for Mutual Economic Assistance; member countries: Bulgaria, Hungary, Mongolia, Poland, the GDR, Romania, Czechoslovakia, the USSR, and Vietnam.
8. SB of the MSW: First Department (Sluzba Bezpieczenstwa) of the Security Service, Ministry of Internal Affairs.

Z-II: Zarzad-II (Second Staff Directorate).

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CSO: 3519/107

TIGHTENING OF INDIVIDUAL COMBAT-FITNESS REQUIREMENTS URGED

Bonn TRUPPENPRAXIS in German Mar 87 pp 180-187

[Article by Lt Col [GS] Christian Millotat: "Thoughts on Combat Fitness"]

[Text] In recent years at meetings of commanders and in directives and instructions, the Bundeswehr leadership has demanded with unprecedented frequency that the combat fitness of the field forces be improved through realistic training. Commanders were encouraged to make cuts elsewhere so as to achieve this goal. (Footnote 1)

In view of the efforts of the armed forces of the Warsaw Pact to improve their attack capability continuously, the rapid conversion of the armies of the NATO alliance from peacetime operations to the defense structure in the assigned combat zones is becoming increasingly important. NATO's deterrent capability increases when it can show convincingly that this complicated and rocky process can be mastered in an optimum manner in time of crisis and war. Forces fit for combat are a prerequisite for this. A unit can claim the attribute "combat fit" only when it has been so educated and trained. In an army such as the Bundeswehr composed primarily of conscripts performing basic military service and reservists, combat fitness can be attained only when all commanding officers put this goal at the head of their efforts and orient their actions in daily duty to achieving it.

Value of Combat Fitness

The training of combat fitness holds its deserved first place in the official scale of priorities for soldiers' activities represented by the Bundeswehr command. But there is reason to doubt whether it actually already holds this position everywhere in the reality of the everyday life of the troop. Only laymen believe that declaratory acts, orders and directives from the command would be put into practice immediately and with profound effect at all force levels. In peacetime, armed forces have long developed peculiarities that are characterized by persistence and from which the will of the command can rebound largely without effect. This observation can be made especially clear through the example of the development of discipline in the Bundeswehr. Since the cancellation of the acknowledged wrong liberal "Hair and Beard Style Directive" from the year 1972, the Bundeswehr command has repeatedly demanded

a lasting improvement in discipline. The result achieved since then must be characterized as inadequate.

Soldiers in uniform in public, in military installations, and in the military self-representation of the troop do not generally--aside from the Bundeswehr guard battalion--follow the applicable orders either in their bearing, uniform or conduct in accordance with regulations. (Footnote 2) The shock that the "Hair and Beard Style Directive" and the associated decline in the external part of discipline produced in many superiors has obviously engendered psychologically repressive behavior that is still acting today. This certainly includes the subconsciously learned capability of many Bundeswehr commanders of no longer being able or willing to accept appeals to improve discipline as serious command demands and orders. In view of such attitudes, command orders degenerate into weak lip service, unless the available catalog of sanctions for their implementation is applied strictly.

Similar observations can be made in the area of combat fitness. A number of developments can be noted in the Bundeswehr that contend with the assigned first place of combat fitness. They are attributable to quite different causes. Some of these developments will be investigated in the following and it will be shown how one can counter them. Particular emphasis will thereby be given to the interests of the armored forces.

There have been peacetime trends counteracting combat fitness in German armed forces of the past as well. They were generally recognized. It can be shown through many examples, however, that they were often not resisted at all or only half-heartedly and frequently too late. Two examples should demonstrate this:

In the German-French War of 1870-1871, the Prussian infantry fought with its percussion rifles with a range of about 600 meters using the tactics of the 1847 drill regulations against the French Chassepot rifles shooting twice as far. In essence, it differed hardly at all from the Scharnhorst-Clausewitz drill regulations of 1812, which, based on the weapons technology at the time of the wars of liberation, ordered tactical forms through which optimum use could be made of the one-shot flintlock rifle, which could be loaded only from a standing position. A screen of riflemen formed from the third elements of the platoons was employed in front of the battalion column in the approach and beginning of the attack and masked their employment. Through mass fire and bayonet combat, the battalion column attacking in close order then made the decisive thrust. The drill regulations of 1847 brought in evolutionary parade forms that had developed in the long peacetime after 1815. Obsolete infantry rifles and outdated tactics led to unexpectedly high losses in the compact Prussian battalion columns that attacked in the battles of Vionville-Mars-la-Tour and Gravelotte-St. Privat in 1870, losses that would have been considerably less through a dispersed manner of fighting and better coordination of attacks with the artillery.

The comparative study of the command regulations prior to 1914 shows that even before the outbreak of World War I the German troops were encouraged to operate in accordance with the principles of combined arms combat. (Footnote 3)

The unexpectedly high losses through the end of the first Battle of the Marne in September 1914 can be attributed primarily to the fact that the command hardly allowed its attacks to be prepared through the superior German artillery at the beginning of the war and did not adequately coordinate with it during the battle. The German infantry assaulted carelessly in accordance with the heroic leading idea of the 1906 drill regulations: "Forward to the enemy, whatever it may cost." False prestige thinking that developed between the service branches in the years of peace between 1870 and 1914 led to the fact that prior to World War I there was much too little training according to the requirements of combined arms combat. As early as during World War I, just as after 1871, a multifarious literature of excuses sought to conceal the real reasons for the loss of the first Battle of the Marne. Fictitious "sins against Schlieffen's spirit" or the legend of the supposed superiority of the French artillery had to suffice as reasons, which were largely to be sought in false peacetime training. (Footnote 4).

Organization of Duty and Combat Fitness

The combat fitness of a unit is achieved only through realistic training. The entire organization of duty must be oriented to this goal. Combat fitness cannot be acquired through combat duty. On the contrary, the demands of combat must be practiced in all areas of training so as to supplement actual combat training. The actions of soldiers in war are characterized by the peculiarity of having to master constantly changing difficult situations and demands under the pressure of time and under fire, to make do with what is available, and to improvise continuously. Commanders of all levels must also judge the situation even with incomplete information, make up their minds, give orders, lead and be prepared to bear full responsibility for their actions.

An organization of duty adapted to these special features of the conduct of soldiers must ensure that wherever possible people clearly face up to the overevaluation of regulated peacetime operations.

An analysis of the more recent Bundeswehr literature and of the duty operations in the troop shows, however, that often currents are acting there and views are represented that completely oppose these special modes of behavior of soldiers and that absorb too much energy. The following examples should prove this observation:

In the case of alert exercises, commanders who are needed for the establishment of rear command posts often seek to be relieved of participation so as to be able to continue peacetime duty operations in the barracks unhindered. The result is that the rear command posts move out--into the dispersal areas near the garrison, for example--much too infrequently and are poorly trained in command post technology. A similar situation can also be observed in the planning of stays in training areas and exercises.

Staff officers often suggest to their commanders that they leave larger staff sections in the garrison so as to be able to continue regular peacetime duty operations there during the absence of the field forces. Inasmuch as these staff sections in the garrison have to be guarded and supplied, the rear

parties are generally much too strong. One can therefore frequently observe that soldiers of the supply services and from the S1 sections of line battalions are inadequately shifted to training areas and brigade and division staffs are represented by only weak sections.

In the case of exercises, it then becomes clear that the training level of the command post personnel is inadequate, the command personnel in the command posts are not familiarized with each other's work, it takes much too long to move command posts, and thinking in terms of comforts too frequently leads to making use of the possibility of performing command post work in gymnasiums and similar buildings instead of using, where available, the armored command post vehicles. It is thereby overlooked that operationally ready and mobile command posts are the prerequisite for a combat-fit force.

No one forbids commanders to orient the methods of their staff work in peacetime to the requirements of the practices in the command posts. The staff service regulations of a force can be linked with its field service regulation in such a way that both modes of operation can be made largely identical. The work transpiring in peacetime operations can also be carried out in the dispersal area near the garrison in the main command posts and in the rear command posts. Security and command post moves and work in "shifts" can thereby be practiced under first-rate conditions. Stays in training areas can be conceived as continuous training for the staffs and they basically work in the command post structure.

In the case of company inspections, the battalion command posts should also take part in the exercises and brigade command posts should participate in battalion exercises, provided that they are completely transferred to training areas. In this area, there is hardly any limit to the fantasy of the responsible personnel. In this way, a high level of training of the command posts can be achieved and maintained at no great expense. All staff soldiers must learn to perceive it as a matter of course that it is just as important to raise their combat fitness as that of their fellow soldiers who handle and employ weapons in combat.

Combat company commanders who train recruits should also be characterized by the drive to transfer to training areas with their battalions. A bivouac of recruits in training areas does much more to form the future esprit de corps than the generally much too regulated training activities in the barracks. In this way, commanding officers temporarily utilized in basic training maintain contact with their comrades in the combat units and the clamp of the battalion formation continues to work. Young commanders are with their young soldiers day and night, get to know them early and intensively, and after duty hours do not leave their men alone in the barracks by driving home.

Among the principal tasks of military leaders since the introduction of universal military service in the course of the Scharnhorst reforms at the beginning of the 19th century in Prussia has been the never-resting care of the soldiers entrusted to them. The tireless care relates to conscripts performing basic military service who are soldiers for only a short time as well as to long-term servicemen, young and still-inexperienced commanders and instructors, commanders who for years have been used day after day in field

duty, and reservists who are called up from their careers. All too frequently, the Bundeswehr literature and the reports of the commissioners for the armed forces give the impression that the welfare area is primarily a matter of taking into consideration the values and behavior patterns of the "leisure-time society" in the field forces and of making the short active duty time of conscripts as pleasant as possible for them.

Clearly much too little is being done to make people aware that the care from superiors is to be directed above all to the achievement of the highest possible combat fitness of their subordinates. A differentiated treatment of the heterogeneous groups of soldiers under superiors must have the primary goal of preparing the soldiers for the hardships of combat missions and, through the best training possible, of giving them a chance not only of being able to carry out their missions but of surviving action as well. So the best welfare is a good realistic training for war.

Conscripts performing basic military service, who are regularly allowed to go home on weekends or who generally spend the night at home, who determine so-called overtime through point systems and are compensated for it where possible, and who are given the training material in "blocks that are checked off" without the entire training duty leading in integrated form to combat fitness never get to know the characteristic uncertainty of the soldier's existence or the demand that they be able, with all the associated personal hardships, to adapt quickly to changing situations.

Young and still-inexperienced commanders and instructors who do not continually personally experience the hardships of the soldier's existence and who never or only rarely are pushed to their physical or mental limits are not fit for combat. In stress situations, they will not be up to the demands being placed on them. For this group of soldiers, therefore, never-resting care means the constant simulation of possible situations in combat through surprise tasks and demands at every opportunity.

Experienced older commanders and instructors, on the other hand, deserve a different welfare practice. For them, the maintenance of motivation and health are in the foreground of all welfare measures.

All of this shows that never-resting care is a quite decisive training means for the combat fitness of the field forces. For this reason, one should resist the excessively narrow orientation of welfare to the fulfillment of the leisure-time needs of the young conscripts.

The examples presented can be greatly expanded. It is clear that various forces are working against the will of the superiors to orient the entire organization of service to combat fitness and one must continuously and patiently resist these forces. Certainly the years of the unfiltered effects of the characteristics of the "leisure-time society" of our day on the field forces and the propagation of the wrong approach--special characteristics of soldiers are, they say, an antiquated fiction and in reality most activities in the armed forces are analogous to other activities in the civilian area--in our open democratic society have contributed to the fact that many superior officers no longer see the orientation of service to combat fitness as urgent.

In addition, service oriented to combat fitness is a load on the superiors. It requires more time, willingness to take risks, and inner strength, because the opposition that the superiors must overcome in implementing service so organized is considerably greater than in following the indicated trends. It can never speak well for the organization of the duties of the line formation when at the end of their basic military service soldiers view the weeks of basic training as the only time in which they were really taxed as soldiers and trained in combat fitness.

Command Supervision and Combat Fitness

The goals of service organization oriented to combat fitness must be implemented through command supervision, which is troublesome to superiors. Spectacular successes can seldom be achieved through command supervision. It is strenuous and time-consuming. Laurels ripen more rapidly in other areas of peacetime duty. Public relations work with a good echo in the press, advanced-training events with prominent representatives from politics and industry, and the perfect processing of written reports in staff work are more apt to evoke the favorable attention of superiors than can generally be achieved through command supervision in rain, snow and night training. The privileges of a commander's existence are much more pleasantly evident to the respective office holder in the group of local dignitaries of his post, in circles of privileged citizens not accessible to everyone, or in events among the civilian public in which he represents the Bundeswehr than in the muddy bunker of his soldiers. But the goal of combat fitness at the head of all actions of soldiers requires from the commanders in particular that they involve themselves in command supervision as often as possible. No other happening, no project in public relations work and no social event in the civilian environment can be so important as to keep commanders away from this assumed task.

Only personally exercised command supervision causes the planned organization of service for combat fitness to be carried out in a comprehensive manner ("orchestrating"); above all the example of the supervising commander encourages commanding officers, noncommissioned officers and enlisted men.

The civilian public will recognize and honor it when the commanders dedicate themselves above all to the training of their men. Such behavior will increase the Bundeswehr's reputation as a combat-fit force.

Command supervision achieves its objective, however, only when it is carried out competently and frequently. All soldiers must learn to perceive command supervision as help. Hence all ritualization of command supervision takes away what is spontaneous, natural and self-evident. For this reason, commanders should not announce their command supervision to their subordinates. Command supervision should extend over longer phases of training. It is better to carry on command supervision of a company from the time the weapons are issued to the close of training duty than to show up at the firing range at 0800 for a few minutes as a "thundering god" to criticize the fact that the first shot has not yet been fired.

Results of command supervision must be put into practice and discussed with subordinate commanders without thereby hesitating to mention mistakes. Comments on training after stays in training areas and major projects ensure that the results of the command supervision benefit all elements of each force and provide for uniform views.

Superiors must be qualified for command supervision. Subordinates notice very quickly whether or not their superiors have technical and specialized knowledge in command supervision. Superiors of armored and major formations should therefore be in a position to operate the main weapons in their areas of responsibility themselves and to eliminate training deficiencies in combat duty and in weapon and marksmanship training. Good knowledge in technology and maintenance are equally important. The techniques for issuing orders must be mastered and demonstrated constantly. Commanders who are not able to give orders tersely will not exercise credible command supervision in the elimination of mistakes in this area.

Thus, command supervision supported by ability, examples and relentless commitment will be a decisive means of successfully implementing a service organization oriented to combat fitness.

Advanced Training of Leaders and Combat Fitness

In the advanced training of leaders, commanders school their officers and noncommissioned officers in combat fitness. In terrain discussions and war games, however, numerous observations can be made in practice that oppose the achievement of this goal.

All too frequently one can observe that young leaders are downright averse to risky and independent thinking and action. They are fond of checking things out first at the next-highest command echelon. Presented solutions often show that the standards for the employment of forces, frontages and depths established in the service regulations for troop command are taken over schematically and that the available force is too frequently employed linearly without adequate depth. But training installations often show similar deficiencies: thus defensive positions are often made the basis of terrain discussions and war games in which the forces employed in the front are so strong that the chosen battle disposition could hardly be shaken by the "inserted" enemy. Weak reserves in the depth have, as a rule, the mission of reinforcing the forces employed in front or of containing the enemy in the flanks from emplacements. Not all chiefs put enough emphasis on deep penetrations that can be cleaned up only through rapidly formed reserves, on surprise counterthrusts or counterattacks of uncombined forces at each command echelon, on thrusts ahead of their own positions, or on the freeing of contained forces on the basis of a decision by the local commander. In terrain discussions and war games, instead of practicing the constant search for temporary assistance and rapid improvisation, all too frequently they present reconnaissance results that are of interest to only a few participants. The threat from the air, combat under NBC conditions, and support through artillery and mortars, engineers and antitank helicopters often come off badly and logistics is frequently ignored entirely.

In conversation with officers at all command echelons, one often encounters the opinion that a constant search for tactical mobility at the corps, division and brigade levels violates the strategic concept of "forward defense."

There are many explanations for the indicated observations that mean that tactical advanced training plans of commanders often do not achieve their own objective. The basic precondition for successful action in combat once formulated in classic German by General Field Marshal Helmut von Moltke, that is, resolute action by all soldiers and the knowledge that the failure to act will weigh more heavily than an error in the choice of resources, was repeatedly included in German service regulations for troop command in a form changed as to language but not content. (Footnote 5)

At the beginning of the 1970's, this basic idea fell victim to discrimination through the industrial and organizational sciences that were becoming more and more influential in the Bundeswehr at the time and that saw in this statement an overly strong affinity to intuitive and charismatic behavior incomprehensible to their science. At the same time, educational science disqualified the notion of the "command personality" as unscientific, which led to the hitherto very important "personality value" being removed from the evaluations of the new generation of leaders. The naive belief that one could "manage" executive functions in the military area largely in accordance with the methods of the industrial and organizational sciences and that one could be taught how to handle them led not only to an understanding of military command that was too far removed from the individual actions of the responsible soldiers but also to a representation of the command flows and requirements through an automatic control system and the linguistically unlovely expression "command process."

Certainly a great deal more disquieting is the fact that the new approach based on industrial and organizational science has influenced many young leaders to the point where they avoid all original military conduct characterized by the drive to take the initiative at all times so as to impose their will on the enemy in the sense of the next-higher command echelon and by the willingness to take responsibility for their own actions. Nowadays the fear of many leaders of being reprimanded by superiors for errors seems to be a stronger motive than the constant drive for independent action in the sense of Moltke.

Terrain discussions and, to a limited extent, war games are especially well suited to counteracting these trends detrimental to combat fitness, that is, to eliciting independent action, and to determining principles for mobile operational command as well as to taking away the fear that commanders have of errors. Terrain discussions held in this way require thorough preparation by chiefs and their management requires mental agility and the capability of taking a constructive approach to the results of the participants, of evaluating them and of confronting them with their own solutions. No operation can be attended to without including the combat-support troops and

the air threat. Decision tasks under the pressure of time do more to train combat fitness than briefings on reconnaissance results. Terrain discussions and sand table training are demanded of the subordinate commanders in accordance with the same principles.

In all advanced training of leaders, they are to be taught to evaluate the situation before giving orders and to make a decision that is to be the basis for all actions. This process is time-consuming but trains commanding officers to consider and weigh all factors leading to a decision, that is, to evaluate the situation as it is.

Whereas the officers, senior officer candidates and the staff sergeants in platoon leader positions are given advanced training from the commanders, the chiefs at the unit level have to perform this task for their noncommissioned officers. Only the formations and major formations, which put great value on the advance training of commanding officers, can train combat-fit leaders.

Combat firing and exercises with live ammunition are a critical touchstone for whether a force has been trained to be combat fit. In this connection, the components of training form a mosaic, namely, the results of weapon and marksmanship training, combat duty and advanced officer training.

Combat Exercises With Live Ammunition

In the case of the armored infantry force, in firing under a situation in which the force suddenly encounters the enemy, it becomes especially clear whether the commanding officers have control of their men while utilizing all command resources and whether the weapons are being used properly. The behavior of the managing personnel and umpires shows whether the safety regulations are being fully observed and the extent to which the managing personnel are living in the situation.

Meanwhile, the following picture is what observers of the combat exercises of armored infantrymen with live ammunition frequently see:

When they encounter the enemy, the infantry personnel dismount with all available weapons and proceed without forming ranks. Leaders of the dismounted elements neglect to get an overview of the terrain and to evaluate the situation and only then to give orders. They often proceed much too hastily, give orders too imprecisely, confuse the roles of commander and instructor, and go around screaming. There is frequently no radio contact with the armored personnel carriers, so that they can not be employed by the dismounted commander. There is hardly any qualified coordination with assigned forward artillery and mortar observers and cooperation with medics is forgotten. In advancing, security organs frequently disturb the soldiers in firing and battle behavior, give assistance in sighting or even take part in unjamming weapons. It can often be observed that sharpshooters have not mounted the sighting telescope and machine gunners race through the terrain trying to carry their weapon and ammunition cases at the same time and to employ their machine gun by themselves without the assistance of a second man.

Instead of getting to the root of such failures in combat, that is, developing procedures in training that allow the armored infantrymen to proceed in accordance with the situation and to bring along only those weapons that can be used by the available riflemen, they continually resign themselves to demanding that the armored infantrymen be "disentangled" because they have too many different weapons and types of munitions.

Certainly there are many expedient solutions for avoiding the described deficiencies and for achieving a sensibly complementary advance of the armored infantry carriers and dismounted infantry. In combat duty, for example, in combat drill one can practice having the infantry personnel of an armored infantry platoon independently reorganize into two assault groups and a cover group after dismounting. In this way, the commander has two assault elements that in case of need can be reinforced with the heavy weapons and soldiers of the cover group. From forward areas, the commander can then employ his assault groups in accordance with the situation and by radio employ the following armored personnel carriers for their direct support or to secure his flanks, so that they can utilize their vehicle-mounted machine guns and "Milan" antitank guided missiles.

Immediately after penetration and dismounting, the infantry personnel reorganize and the assault and support squad leaders establish personal contact with the commander, who meanwhile has evaluated the situation and orders the advance from one visible terrain sector to another. Until encountering the enemy, they lead with hand signals and afterwards with the voice or other suitable acoustic means such as a whistle, directing round, etc; weapons that have expended their ammunition and for which no ammunition can be resupplied are turned over to the cover group. Panzerfaust gunners and machine gunners then continue the firefight with automatic rifles or submachine guns. The management and arbitration organs have to behave in accordance with the combat situation. They intervene only when safety regulations are being violated.

Commanders have the freedom of action to develop methods of dynamic action in their formations and to give uniform orders. The activities of an armored infantry platoon or of a company for the installation of mounted and dismounted elements in the defense can also be trained largely through combat drill, so that in combat exercises with live ammunition the indicated deficiencies occur less often; this is likewise valid for the establishment of the night operations capability of weapons with the different available resources. Only combat drill ensures that potential sources of friction in firing are reduced to a minimum and that the commander can concentrate on commanding.

Final Comments

In the case of the longer wars of the past--here one might recall the examples from the German-French War of 1870-1871 and the 4 years of World War I--it was generally possible, despite all the crises and losses, to compensate somewhat for the mistakes in peacetime training through new tactical procedures

developed during the war. This possibility no longer exists in our time.

Today far-reaching deficiencies in training would mean that the NATO formations employed in the scope of forward defense could not fulfill their mission. Maneuvers observers in East and West recognize whether or not the peacetime training has led to combat fitness. This evaluation effects deterrence. It is therefore necessary from time to time in peacetime for the armed forces to free themselves of the ballast peculiar to peacetime operations, to eliminate incorrect trends, and to reflect and concentrate on their main task.

It appears to be urgent for all areas in the Bundeswehr to distance themselves from the widely held opinion that combat fitness is achieved only in combat duty and that otherwise the main task of the armed forces is to make the military service time of inductees as pleasant as possible. Only a comprehensive organization of service aimed at the goal of combat fitness can ensure that every minute of the short time available for the training of the young soldiers is used intensively to train them in the optimum way for combat. The main task of the never-resting care for the young soldiers is to achieve this goal. The Bundeswehr command has declared combat fitness to be the chief goal of all activities in the armed forces. It is necessary to give combat fitness the importance everywhere that the command is attaching to it.

FOOTNOTES

1. In this connection, compare the speech of the federal defense minister at the 28th Meeting of Bundeswehr Commanders from the 17th through the 19th of December 1985, beginning on p 11 in: "SCHRIFTENREIHE INNERE FUEHRUNG, Command System S 1 3, supplement 1/86 for information for the troop.

A precise order for combat fitness is the "Directive on Command, Education and Training," Federal Ministry of Defense, army chief of staff, Army Command Staff 1-Az 32-01-30/VS-NfD from 18 July 1985.

2. On the development of discipline in the Bundeswehr, compare my article, "Phenomena That Influence the Command in the German Army. Observations of a Battalion Commanders," in: TRUPPENPRAXIS, No 2, 1986, p 138.
3. The demand that forces be trained under the basic idea of combined arms combat even before 1914; compare, among many other sources, the summary of combat principles uniformly compiled according to the wording of all drill regulations by Major Wilberg, Oldenburg, 1912, second edition.

4. For the uncoordinated use of the German infantry with the artillery, compare my year's work at the Bundeswehr Command Academy on the first Battle of the Marne in 1914, administrative course General Staff/Administrative Service 75 (H), especially starting on p 18; there also bibliography on the Marne justification literature.
5. Original version with Moltke, from the ordinance for the higher troop commanders dated 24 June 1869 in: "Moltkes Taktisch-strategische Aufsaetze aus den Jahren 1857-1871" [Moltke's Tactical and Strategic Essays From the Years 1857-1871], Berlin, 1910. Compare also Army Service Regulation 300/1, TRUPPENFUEHRUNG, Berlin, 1936, No 15. Compare also Army Service Regulation 100/1, TRUPPENFUEHRUNG, No 38, federal defense minister, Army Command Staff IV 4 from 25 October 1962.

9746

CSO: 3620/188

AIR FORCE GENERAL WARNS OF INCREASED SOVIET ATTACK CAPABILITY

Oslo AFTENPOSTEN in Norwegian 24 Mar 87 p 12

[Article by Olav Trygge Storvik: "Soviet Fighter-Bombers Can Attack All Norway"]

[Text] The air threat against Norway has changed drastically in the course of the past ten to twelve years. Today Soviet fighter-bombers can attack air bases and other important targets over the whole country. Norway is also making itself more and more dependent upon help from foreign air support, but it is doubtful whether Norwegian authorities can exercise effective command and control over these forces.

It was the general inspector of the Air Force, Olav F. Aamoth, who presented these perspectives in a lecture to the Oslo Military Union yesterday evening. The demand for national command and control of foreign forces in Norway has been a cornerstone in Norwegian security policy for many years. It must therefore be understood as a clear warning when Major General Aamoth, who has the professional responsibility for developments within the Air Force, points out that the military branch is having difficulties meeting the great demands made both quantitatively and qualitatively for a meaningful military air leadership instrument. This is connected with the great personnel problems the Air Force has gone through in recent years, and an unusually large departure of pilots. The result of these problems is that the weapons branch today is hard-pressed to find leaders on the middle level.

Change

"The air threat against our country has changed significantly in recent years, in that tactical, Soviet air forces now have shown that they have a range to fight the air battle over our whole area, and this means effective fighter-bomber attacks against all our bases and other important goals. Furthermore, the large-scale introduction of combat helicopters has changed the air picture in the front zone to our disadvantage," Aamoth said.

He said that all of Norway has come into effective range of powerful Soviet fighter-bombers so that the Soviets can now fight the battle for air superiority well into the rear Norwegian base areas that earlier were relatively safe. Another side of freedom to use the air space lies in the significant introduction

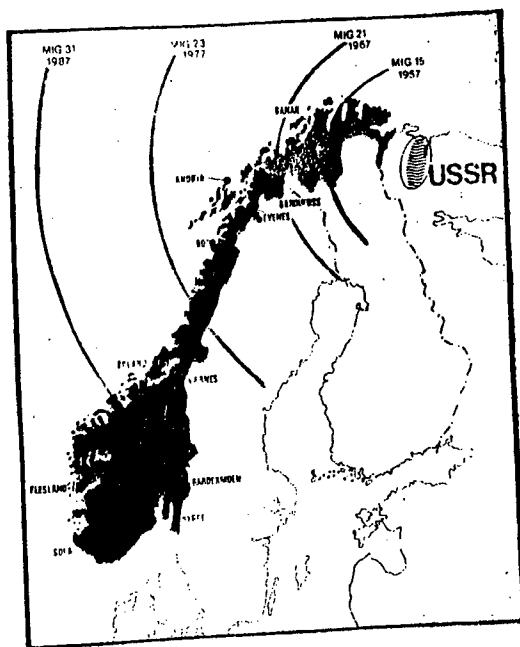
of armed combat helicopters into the Soviet forces. Types such as "Hind" and the newer "Havoc" and "Hokum" are capable of establishing local operational freedom in the air space near the front zones and giving effective close support under conditions in which ordinary fighter aircraft would have trouble with the weather and the terrain. Such conditions are found, for example, during large parts of the year in the interior of Troms, and the helicopters are difficult to attack with ordinary fighter aircraft if they make full use of the terrain, according to the general inspector.

New Reality

These are conditions that put the Air Force into a completely new reality and that will characterize force goals up to the year 2000, he thinks. "In addition to our own efforts, it is clear that there will be great need for the rapid and effective introduction of allied air defense forces in our area. The same thing can be said on the significance of strengthening our air bases' ability to operate under attack. In a way, our air bases have become the castles of our time, a fundamental and steady point for the decisive battle for air superiority," Aamoeth said.

Reduced Strength

He recalled that the Defense Commission of 1974 considered a strength of 72 aircraft in the Norwegian Air Force as a minimum strength. This was the conclusion the commission reached after many years of thorough studies, among other things, with the help of combat aircraft analysis. Therefore the assumption was made that new aircraft be purchased to replace those there were lost. But such replacements have not been fully made, and this means that the Air Force's operational strength has fallen under the minimum that the collected expertise agreed upon. But at the same time that the fighter forces have been reduced, the Air Force has also been charged with a series of new tasks that do not provide defense effectiveness within the definition of the branch's main jobs. It has to do with rescue service, coast guard, helicopter and transport support for the Army, and support to the civil airlines, among other things. These are all tasks that must be performed, but the bad part of it is that in order to do them, the sharp side, the fighter force, is paying," Aamoeth said.



The map shows how the operational radius for Soviet aircraft on escort duty has developed in the past 30 years.

9124

CSO: 3639/36

ADVOCATES OF KIRKENES-NIKEL RAIL LINE DISCOUNT SECURITY THREAT

Oslo ARBEIDERBLADET in Norwegian 24 Mar 87 p 13

[Article by Per Ellingsen: "Kirkenes-Nikel By Train?"]

[Text] In its election platform the Finnmark Labor Party favors the construction of a rail line between Kirkenes and the Soviet industrial city of Nikel on the Kola Peninsula.

Minister of Commerce Kurt Mosbakk finds the proposal interesting and sees few drawbacks in such an undertaking.

The Soviet ambassador in Norway, Dimitry S. Poliansky, has on several occasions expressed the desire to build a railroad line between Norway and the Soviet Union.

The distance between Kirkenes and Nikel is about 40 kilometers. Constructing a railway line across the border will therefore be a relatively quick and simple project to carry out. The industrial city of Nikel with its good 30,000 inhabitants is already joined to the Soviet railroad net. If a side track is built out to Kirkenes, trade between Norway and the Soviet Union can be stimulated.

Mosbakk Interested

Commerce Minister Kurt Mosbakk told ARBEIDERBLADET that he would support such construction if it is shown that there is a basis in our trade with the Soviet Union for such a railroad connection.

"We are working to expand our trade with the Soviet Union, and if it turns out that there is good reason from a purely business point of view to build a railway over the border, it will be natural to consider the proposal from the Finnmark Labor Party, Mosbakk said.

Great Interest in Kirkenes

Among the local politicians in the South Varanger community there is much interest in accelerating trade with the close neighbor in the east. Spokesman Nils-Edvard Olsen in South Varanger told ARBEIDERBLADET that both the businessmen and the local politicians have for many years evaluated the positive effect

such a railway connection would create for South Varanger and the rest of Finnmark.

"We must put this railway plan in an economic policy connection. Even if the economic basis today is not sufficient to build this railway line, we will in all probability have significantly more trade with the Soviet Union in the years to come. There is great potential in a railway connection," Nils-Edvard Olsen said. He added that the defense forces do not have great worries about a railway line being built from Kirkenes to Nikel.

Repairs

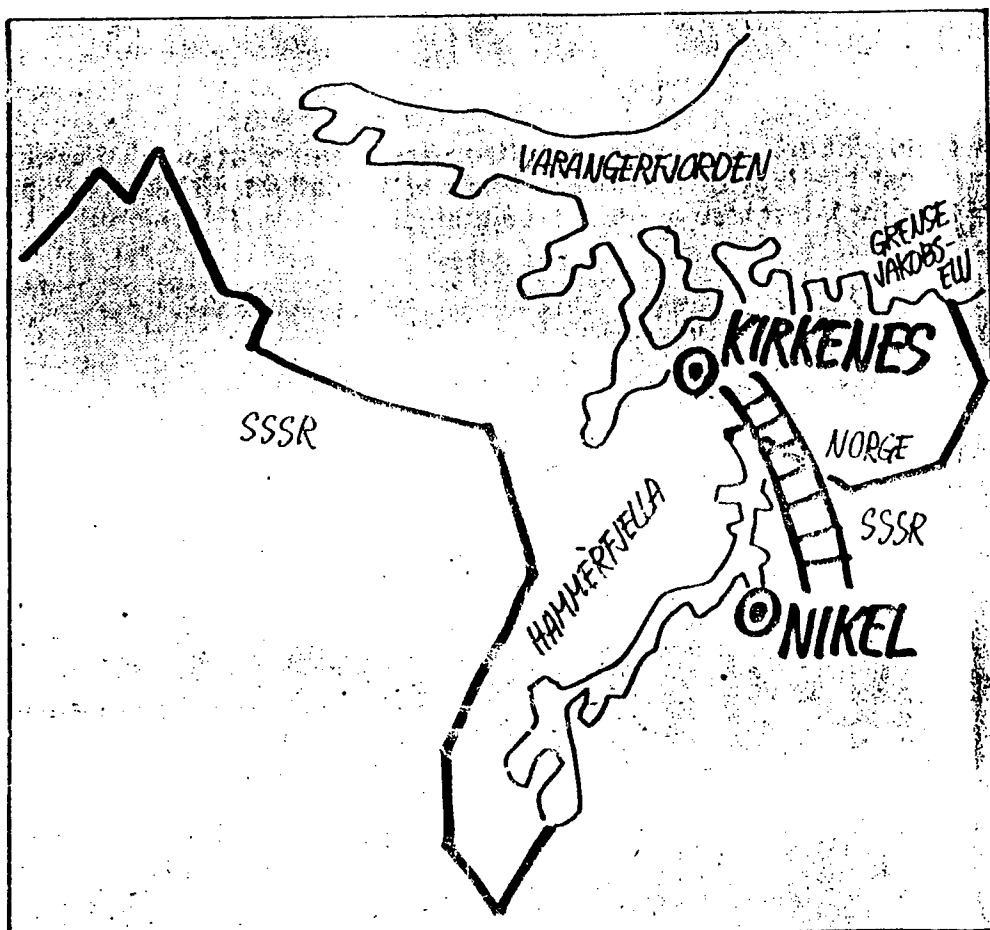
In Kirkenes people are eager to increase trade with their neighbor a few kilometers to the east. Today there is trailer traffic between Nikel and Kirkenes on the Norwegian-Soviet road through Storskog outside of Kirkenes.

In spring the Kirkenes Mechanical Workshop will be ready to receive the first repair jobs. Here the main part of repair work on Soviet ships will be done. There is much demand for such work. Today the waiting time for such repairs is very long in the Murmansk area. Here too the sea traffic is so large that there is a long waiting time in the fjord to get in and out.

Since a large part of Norway's trade with the Soviet Union takes place right here, much time will be saved by building a railway line over the border, according to both the businessmen and the politicians in Finnmark.

Minerals From Kola?

The Industrial Project Group for Northern Norway (IPG) thinks that there are great potentials for Kirkenes to receive raw materials from mines on the Kola Peninsula for further refinement. Even if great skepticism has been expressed on these plans from several areas, IPG thinks that the investigations that have been made of the minerals from Kola are promising. This can, among other things, be good for the Norwegian mining industry, according to IPG.



There only remains the construction of a 40 kilometer railway line to join Kirkenes to the Soviet railway net.

9124

CSO: 3639/36

PRIVATE GROUP WARNS OF DECREASED DEFENSE STRENGTH IN SOUTH

Oslo AFTENPOSTEN in Norwegian 23 Mar 87 p 3

[Text] Political parties that favor the maintenance of the present growth in the defense budget will in the years to come have to acknowledge that the defense of southern Norway is gradually decreasing. With this conclusion the organization Free Norway with NATO enters the debate on how large defense efforts must be up to the year 2000.

The starting point is the unchanged version of Defense Studies 1985 that was published some time ago by the defense chief, and that has been a central point in the conflict between General Fredrik Bull-Hansen and Defense Minister Johan Jorgen Holst. In this the defense chief is operating with two budget alternatives, in which the recommended structure contains a yearly budget increase of six to seven percent.

Danger

Free Norway with NATO claims that if the budget increase is less, our defense level will decline and there is danger that an attack on Norway in a given situation could succeed. "From a political point of view it has been said that six to seven percent real growth in the defense budget is not realistic. This is possible, but in that case the politicians must realize that we cannot afford to maintain a sufficiently effective defense force," the organization claims.

The choice of alternatives is clear, Free Norway with NATO points out: "With the defense budgets at the present level we must decrease the defense level in the south in order to maintain it in the north. Both public opinion and the political parties must take a position on this. If they do not, we will in the course of a few years have a thinning out of the defense level both in the south and in the north so that we will not be able to maintain the ability to repulse an attack anywhere in the country," it says in a brochure the organization has worked out.

Defense Debate

The organization also has critical remarks about the form the defense debate in Norway is being conducted in. "Only very seldom and sporadically is that which

should be the most important taken up: How is our defense ability developing? Are we keeping in step with the threat, or are we about to give a possible attacker hope that operations against the Norwegian area can in certain situations be rewarding? Are we in a development in which the conditions for being able to bring in allied help are beginning to become weak, and in which our allies will to an increasing degree think twice about risking their soldiers' lives and their vehicles and aircraft to come to Norway's aid?"

Difference

The difference between the two structures will up to the year 2000 amount to 11 billion kroner, the organization points out. This means the difference between a good and a less good way of realizing the proper structure. Both budget growths mean that the defense level in southern Norway must be decreased.

"It has also been claimed that Norway is fulfilling NATO's demand for budget growth. But NATO's demand is only meant as an average and guideline strength. If we do not want to hide behind such a formality, but want to take our defense level seriously, we must look at our own situation. What does it require?"

9124

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INFRASTRUCTURE FUNDS EARMARKED FOR NORTHERN DEFENSES

Oslo AFTENPOSTEN in Norwegian 30 Mar 87 p 5

[Article by Liv Hegna: "Billion from NATO Strengthens Northern Defenses"]

[Text] Never before has Norway received such a large amount from NATO through the so-called infrastructure program. All in all, 1,022.5 million kroner have been earmarked for Norway. One of the most significant projects is the building of a large number of hangars, particularly at airbases in northern Norway. This part of the country will receive 300 aircraft through NATO's plans for strengthening Norway in case of war.

In addition, NATO will pay for significant communications equipment for the Norwegian defense forces.

Among other things, it will be used for equipment for the transfer of data from NATO's airborne warning aircraft, the so-called AWACS aircraft, to the Norwegian military headquarters.

Equipment will also be bought that will enable NATO to use the defense digital net, and equipment will be secured for communications with NATO's Atlantic fleet.

In addition, equipment and ammunition depots will be built partly in the mountains for a Norwegian brigade in the Evenes area.

This brigade, presumably Brigade 6, will become an advance supply brigade, after the political authorities at one time decided to place the supplies for the American Marine brigade, 4th MAB, in Trondelag instead of northern Norway.

As far as the so-called infrastructure for the alliance as a whole is concerned, the amount is over ten times as large as what is going to Norway, namely 11.5 billion kroner. The Norwegian contribution to this amount is 361 million kroner.

For a long time it was a percentage share of 3.14 (shortened to PI), but this has now risen to 3.16 percent.

Seven Billion

The total value of the commonly financed projects on Norwegian soil in the time we have been in NATO amounts to 7,085 million kroner. Norway has in this period paid 3,033 million kroner calculated in present krone value. On its own bill Norway must cover costs of added value tax, purchase of land, road construction, water and sewers, and electricity expenses.

Critical voices say therefore that Norway receives considerably less net profit from NATO than the large figures would indicate.

9124

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MILITARY

NORWAY

SEARCH FOR UNIDENTIFIED SUBMARINE OFF HARSTAD ENDS

Oslo ARBEIDERBLADET in Norwegian 26 Mar 87 p 10

[Text] At two o'clock Wednesday afternoon the Navy ended its search for an assumed unidentified submarine in Asta Fjord near Harstad. The search was begun Tuesday evening, but has not produced any result, the Northern Norway Defense Command reported to NORSK TELEGRAMBYRA.

The search was initiated when one of the naval vessels taking part in the exercise "Cold Winter" reported sonar contact with something one assumed could be an unidentified submarine in the Asta Fjord.

The operation in the area of search was carried out with vessels that are taking part in the military exercise in the area. The type of vessels that took part were frigates, a minelayer, a Coast Guard vessel, and a Lynx helicopter.

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BRIEFS

FIRST MILITARY HELICOPTER CONSTRUCTION--Soon Helicopter Service will start the first construction of new helicopters here in this country. The company has received an order to put together 18 mid-sized Bell 412 SP that the defense forces have purchased. The contract assigner is the American helicopter manufacturer Bell Helicopter Textron in Texas. The project will engage 13 persons until the turn of 1989-1990, and the contract is worth about 25 million to Helicopter Service. [Text] [Oslo AFTENPOSTEN in Norwegian 1 Apr 87 p 48] 9124

CSO: 3639/36

PRIME MINISTER PRESENTS PLAN FOR GLOBAL ENERGY COOPERATION

Oslo AFTENPOSTEN in Norwegian 30 Mar 87 p 3

[Text] The government wants to take the initiative in a global energy policy of cooperation. Gro Harlem Brundtland announced this at the Labor Party's national congress. Norway will seek bilateral contact with the IEA countries, the oil producing countries inside and outside of OPEC, underdeveloped countries, and other countries. The Labor Party will also follow this up in the socialist international.

The prime minister introduced this initiative in the lecture, "Social Democracy's international Challenges" Saturday afternoon. She reminded her audience that the late foreign minister, Knut Frydenlund, stressed as late as February of this year that Norway must contribute constructly in this area.

Active Policy

"Active Norwegian cooperation in a global energy policy of cooperation, based on increased contacts and greater mutual understanding between the oil producing and oil consuming countries will be a natural continuation of the intentions of the government's inaugural declaration and the production-regulating measures we have initiated," Brundtland said. She stressed that such an initiative will also be in agreement with the best traditions in the labor movement's international engagement and in Norwegian foreign policy. "Sharp price changes, alternately to the direct benefit of the oil producers or the oil importers creates a mood of confrontation and mistrust between the two groups of countries," she said, and continued: "Your cooperative organizations, OPEC and IEA, are stuck in a type of permanent antagonistic relationship to one another. We cannot afford this, since both of us in the long or the short run will face energy political demands that must be solved in a global connection and across traditional and economically familiar relationships.

"Stability in the oil market and an oil price at a reasonable level are important so that a nonrenewable resource such as oil will be used in a way that is responsible, seen in a resource and environment connection," the prime minister said. She added that a higher oil price than today is necessary to assure necessary investments in energy saving and the development of alternative energy sources.

New Energy

Brundtland has also worked with such questions in the UN Commission for Environment and Development, which she leads. The commission has worked for three years, and its report will be published in London 27 April.

Brundtland does not hide the fact that if the standard of living for the large populations in the underdeveloped countries is to be improved, there must be a strong increase in energy consumption in the world. "There is talk of a doubling several times over of the present day level," she pointed out, and asked this question: "Where is this energy to come from when at present the energy consumption is now taking an intolerable toll on the environment?"

Economizing

"We simply do not have the solution today. Wherever we turn, we come upon problems. We can accomplish something by increasing the cleaning measures in the burning of oil and coal. We can make nuclear energy safer. There are great profits in energy economizing, probably much more than we have imagined. Renewable energy sources such as solar energy, wind, waves, and earth heat can be used and above all developed better than today. Prime Minister Brundtland pointed out that a combination of such measures will enable the development to go in better directions. A solution must also be found that can bring energy to 10 billion human beings without our planet collapsing as an ecological system.

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END